THE FRIENDLY TRUST

England & Wales · Charity number 1084265

Details

Status	Registered
Legal form	Charitable company
Company number	03608297
Registered	2000-12-22
Register	View on the Charity Commission register

Contact

Address	The Friendly Trust Canton House 435-451 Cowbridge Road East Cardiff CF5 1JH
Phone	02920225200
Email	advice@friendlytrust.org.uk
Website	www.friendlytrust.org.uk

Activities

Objects: THE RELIEF OF VULNERABLE PEOPLE BY THE PROVISION OF ADVICE AND ASSISTANCES TO SUCH PERSONS, THEIR CARERS AND FAMILY MEMBERS IN THE MANAGEMENT OF THEIR INCOME, CURRENT ASSETS AND FUTURE INHERITED RESOURCES

Activities: The Friendly Trust is a registered charity which helps vulnerable adults to manage their money.We provide individuals with accessible information and personalised, practical help to help them increase their financial independence and security and improve the quality of their lives.

Classification

- **How:** Provides Human Resources, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Disability, The Prevention Or Relief Of Poverty
- **Who:** Elderly/old People, People With Disabilities, Other Defined Groups

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Geography

- **Area of benefit:** NOT SPECIFIED
- Throughout Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£775,270	£887,407	£308,847	22
2024-03-31	£786,113	£877,228	£506,205	25
2023-03-31	£725,690	£670,245	£579,649	21
2022-03-31	£535,429	£577,668	£499,768	21
2021-03-31	£516,846	£534,708	£242,007	19

Trustees

Name	Role	Appointed
Clio Galatea Khan		2025-03-13
Fiona Mary Hughes		2025-01-14
Ian Vernon Murdoch Cater		2025-09-11
Jaime Falarczyk		2025-01-14
Lawrence Adegoriola Gomez		2025-07-10
Owain Phillips Mr		2021-01-12
Philip Joseph Boshier		2017-02-20
Rupert Philip Cecil Boston		2025-01-14

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THE FRIENDLY TRUST

England & Wales - Charity number 1084265

Accounts

Docusign Envelope ID: 36E5E9CF-3FC9-4108-8C2F-7CCE7F53417F

REGISTERED COMPANY NUMBER: 03608297 (England and Wales)
REGISTERED CHARITY NUMBER: 1084265

Report of the Trustees and

Audited Financial Statements for the Year Ended 31 March 2025

for

The Friendly Trust

Docusign Envelope ID: 36E5E9CF-3FC9-4108-8C2F-7CCE7F53417F

The Friendly Trust

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The Friendly Trust (Registered number: 03608297)

Report of the Trustees
for the Year Ended 31 March 2025

Introduction

What we do

At The Friendly Trust, we empower vulnerable individuals to manage their finances with confidence and dignity. We work in close partnership with people who have disabilities or long-term health conditions, as well as their families and carers, to reduce the distress and isolation caused by poverty, debt, and financial abuse.
Many of the people we support face a heightened risk of exploitation and harm. The Financial Conduct Authority's 2020 report Financial Lives: The Experiences of Vulnerable Customers identified four key drivers of vulnerability:

- **Health** - Physical or mental health conditions that impact daily functioning.
- **Life Events** - Significant life changes such as bereavement, job loss, or relationship breakdown.
- **Resilience** - Limited ability to cope with financial or emotional shocks.
- **Capability** - Low financial literacy or confidence, and limited skills in areas such as literacy or digital access.

According to the FCA's 2020 survey, 46% of UK adults-approximately 24.1 million people-exhibit one or more of these vulnerability characteristics. Certain groups, including older adults, renters, the unemployed, and those without formal qualifications, are disproportionately affected.
The individuals we support often experience multiple vulnerabilities simultaneously. Without appropriate intervention, they are at risk of:
- Financial exclusion
- Barriers to accessing essential services.
- Exploitation by others
- Discrimination and stigma
- Scams and fraud
- Over-indebtedness
- Mis-selling of financial products
- Purchasing unsuitable goods or services

We believe that all vulnerable people:
1. Deserve equal value and respect.
2. Have the right to make their own decisions.
3. Should be supported by their families, communities, and services to achieve their goals.
4. Must have a voice in shaping the services they receive.

Through accessible information and personalised, practical support, we help individuals build financial independence and improve their quality of life.

Operations and change

This year, we have continued to strengthen our foundations while navigating the ongoing financial pressures affecting many small and medium-sized charities across the third sector.
We made some difficult but necessary financial decisions to stabilise the charity's operations. As a result, we are now operating from a more secure financial footing, with a clear focus on rebuilding our reserves in line with the targets set out in our Reserves Policy. This marks a significant step forward in ensuring the long-term sustainability of our work.

To that end in January, we implemented **CasparGov** by **Plianz** to manage all Service User caseloads. Rolled out in two phases, this system has significantly streamlined our operations by automating processes and eliminating the need to manually update over 500 spreadsheets. This transformative upgrade was made possible thanks to a generous grant from the **Moondance Foundation**. Although we are still in the early stages of adoption, the benefits are already clear: reduced administrative burden and increased capacity to support more vulnerable adults.

We also secured **National Lottery funding** to deliver a **Dementia Awareness Project** across South Wales, further expanding our reach and impact.

In 2025, we successfully renewed our **Cyber Essentials accreditation**, reinforcing our commitment to safeguarding the data of both staff and Service Users.

We were proud to secure a new contract with **Cardiff Council**, increasing our support capacity by 20% to serve 300 Service Users. Additionally, in line with our strategic plan expand our service across a wider geographical footprint - we began a new partnership with **Ceredigion Local Authority** to extend our services to vulnerable adults in that region.

Staff turnover remained low, with changes limited to the Administration team. We also welcomed **eight new Trustees** to our Board in 2025, bringing fresh perspectives and expertise.

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Looking ahead, we are actively reviewing our **Business Development Plan** and **brand strategy**, including plans to review and redesign our Service Catalogue, refresh our **organisational values and mission**, and **redevelop our website**. This work will ensure that our identity and messaging remain aligned with the evolving needs of the people and communities we serve.

We are also in the process of applying to the **Ministry of Justice** to gain **Trust Corporation status**, which will further strengthen our legal and operational capacity to act in the best interests of those we support.

To support our long-term sustainability, we have developed a **new fundraising strategy** designed to build on the success of recent funding applications. This strategy will help us diversify income streams, strengthen donor relationships, and increase our capacity to deliver vital services.

Objectives and activities
Objectives and aims
Our Purpose and Strategic Aims
The Friendly Trust exists to improve the financial wellbeing and independence of vulnerable people. Our work is rooted in compassion, empowerment, and practical support.

Core Services
We provide a range of specialist services designed to protect and empower individuals who are at risk of financial harm or exclusion. These include:
- Supporting vulnerable people to manage their money, including dealing with debt.
- Helping individuals claim their full entitlement to social security benefits.
- Assisting older people, carers, and vulnerable individuals in setting up Lasting Powers of Attorney to safeguard their future.
- Advising families on how to plan for the long-term financial security of a vulnerable relative.
- Providing guidance on Wills and Trust funds to benefit vulnerable family members.
- Managing trusts on behalf of vulnerable beneficiaries.
- Acting as Deputy under appointment by the Court of Protection.
- Reducing or eliminating vulnerability to financial abuse.

How We Work
Our services are delivered by a team of skilled Trust Officers, supported and supervised by Team Managers, who also manage complex caseloads. This frontline team is backed by our Administration team, which plays a vital role in managing both the charity's finances and the personal finances of our Service Users.
This work is carried out under legal authority granted by the Court of Protection, the Department for Work and Pensions, or through Lasting Powers of Attorney provided by the individuals themselves.
Demand for our services remains high. At the time of writing, 126 individuals are on our waiting list.
Our Reach and Impact
In the past year, The Friendly Trust supported 643 Service Users-a 5% increase on the previous year. Since our inception, we have supported over 3,300 individuals, with 91% reporting that their bills are more manageable thanks to our support and guidance.
We are proud to work in partnership with the following local authorities and organisations:
- Cardiff Council
- Monmouthshire Council
- Newport Council
- North Somerset Council
- Rhondda Cynon Taf Council
- Torfaen Council
- Vale of Glamorgan Council
- Cardiff and Vale University Health Board

We are also pleased to have recently begun working with Ceredigion Local Authority, further extending our reach across Wales.
We remain deeply grateful to all our funding partners for their continued trust and support, which enables us to deliver life-changing services to those who need them most.

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Objectives and activities

Public benefit

The Friendly Trust is committed to delivering clear and measurable public benefit through all its activities. In line with the Charity Commission's general guidance on public benefit, our Trustees carefully consider how each planned activity contributes to our charitable aims and objectives.

Our work focuses on supporting vulnerable individuals-including disabled people, those living with long-term illnesses, and their families and unpaid carers-to achieve greater financial independence, security, and peace of mind.

This includes:

- Providing advice and practical support to help people budget and manage their money.
- Assisting with future planning, including making wills and setting up trusts for vulnerable relatives.
- Offering free, unfunded advice to any vulnerable person or unpaid carer who contacts us during our **"office duty" hours** (weekdays from 10am-12pm and 2pm-4pm), either in person or by phone.

To ensure accountability and transparency, we carry out regular monitoring and feedback exercises for all funded projects. In addition, we conduct an annual satisfaction survey across all services to evaluate impact and identify areas for improvement.

Strategic Direction

The Friendly Trust continues to operate in alignment with its current strategic plan. Over the next two years, our key goals are to:

- Maintain a strong focus on delivering public benefit.
- Provide outstanding levels of service to our Service Users.
- Operate within a balanced and sustainable budget.
- Review our Service provision to ensure we provide a range of effective services.
- Uphold high standards of governance and administration.

Strategic Priorities

To achieve these goals, we are pursuing the following strategies:

- Partnership Working: We will continue to seek and develop collaborative opportunities with other organisations to enhance our reach and impact.

- Staff Investment: We are committed to attracting, retaining, and developing a productive, skilled and motivated team of staff and volun teers, with a focus on professional development and recognition.

- Drive Organisational Efficiency: We will continuously improve how we work by streamlining processes, embracing technology, and refining our systems. This goal is about doing more with the same-enhancing productivity and impact without placing additional pressure on staff. Our focus is on working smarter, not harder, to ensure we deliver the highest quality service in the mo st effective and sustainable way.

- Trustee Development: We will build and support a diverse and capable Board of Trustees, ensuring strong leadership and oversight.

- Service User Involvement : We will actively listen to and involve our Service Users in shaping the services we provide.

- Free Services: We will continue to offer free services to those in need and explore opportunities to expand this provision.

- Sustainable Growth: We will grow the organisation prudently, ensuring that any expansion aligns with our values and does not compromise service quality or public benefit.

- Financial Sustainability: We will maintain open dialogue with funders to ensure we have the resources needed to deliver high-quality servi ces.

- Fundraising Strategy: To support our long-term sustainability, we have developed a new fundraising strategy that builds on the success of recent funding applications. This strategy is designed to:

- Diversify our income streams , reducing reliance on any single source of funding.

- Strengthen relationships with donors and funding partners , ensuring continued support for our mission.

- Increase our capacity to deliver vital services to vulnerable individuals and their families.

By taking a strategic and proactive approach to fundraising, we aim to secure the resources needed to grow responsibly, respond to emerging needs, and maintain the high standards of service that our Service Users rely on.

- Environmental Responsibility: We are committed to reducing our environmental impact. We have adopted electronic application processes, are reducing reliance on paper (including bank statements through CasparGov), introduced a cycle-to-work scheme, and moni tor our waste and recycling practices.

Trustees and Governance

Our Board of Trustees meets bi-monthly to provide strategic direction, support staff, and ensure robust oversight of operations and key decisions. Their guidance is essential to the continued success and integrity of The Friendly Trust.

Strategic report

Financial Review

The Charity's net outgoing resources amounted to £114,752 (2024 net outgoing resources: £73,444), which has decreased the available funds from £423,599 to £308,847. No restricted income received in the year.

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Strategic report

Financial review

Investment policy and objectives

The Friendly Trust is a registered charity which helps vulnerable adults to manage their money.
This investment policy applies to the unrestricted reserves and restricted reserves held by The Friendly Trust. It is not applicable to investments made on behalf of our service users in the role of Appointee, Deputy, Attorney, Executor or Trustee.

The Trustees of The Friendly Trust are governed by the Trustee Act 2000 which sets out the general power of investment. This policy is intended to clarify the responsibilities of the trustees and provide additional working guidance in relation to The Friendly Trust's investments; it is not intended to supersede or contradict the Trustee Act 2000.

Investment Objectives

The Friendly Trust seeks to produce the best financial return within an acceptable level of risk. Capital preservation is the highest priority in deciding where to place funds.

Reserves policy

The economic climate facing the Third Sector over the past few years has continued to place pressure on funding streams and the Trustees acknowledge the need to retain available reserves to facilitate the continuance of at least the current level of service delivery. The Charity provides a range of services which are unfunded and without sufficient reserves, this assistance would be at risk. The Trustees also recognise that should a closure of operations be required due to any external factors, they would want to do so in such a way that those who rely on The Friendly Trust, both those who work for the Charity and those who receive direct services from it, are not and do not feel abandoned.

The policy of the Charity, which is reviewed at regular intervals, is to aim towards securing sufficient reserves to fund three months' worth of operational costs in order to meet these needs. At the balance sheet date, the level of available unrestricted funds amounted to £308,847 (2024: £423,599 as restated).

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Strategic report

Risk

The unrestricted cash reserves of The Friendly Trust are broadly in line with the minimum deemed necessary to provide working capital for our operations and to deal with any reasonable risks that materialise and may result in an unexpected increase in expenditure or a reduction in income. Capital volatility beyond the Trustee's risk appetite must be avoided and unrestricted reserves should be invested with a cautious approach to risk.

Restricted cash reserves, when held, are required to fund specific projects and liabilities. Capital volatility should be avoided, and funds should be invested with a conservative approach to risk.

The Charity's funds should be held in cash or near cash investments denominated in sterling. The exception to this would be in circumstances if foreign assets or assets not held in cash were bequeathed to the charity. In such circumstances The Friendly Trust would take professional advice as soon as possible.

The Friendly Trust will usually make use of banks and building societies covered by the UK'S Financial Services Compensation Scheme. The institution should also be incorporated in the UK. The sum of money placed in such institutions (or related group) should not normally exceed the maximum limit for compensation under the Scheme (currently £85,000). The Friendly Trust will seek professional financial advice before investing in any institution not covered in paragraph above. The institution/investment must be regulated by the Financial Services Authority (FSA) or Prudential Regulation Authority (PRA).

Any investment opportunity which could not be described as being placed with a "bank or building society" (as outlined in paragraph above) must be discussed, agreed and noted at a management committee meeting to which all the trustees have been invited.

Liquidity Requirements

Approximately £100,000 of available reserves constitutes a working balance and should be held where it can be immediately accessed. The balance of funds may be invested for a period up to 3 years however, any investment for a period exceeding 365 days requires the approval of the Board of Trustees.

Management, Reporting and Monitoring

Day to day decisions on placing and withdrawing deposits are to be made by the Director.
The Director will monitor the cash position and performance and report this to the Board at least annually.
Any of the trustees may request information from the Director at any time regarding cash balances, The Friendly Trust's investments or other budgetary information. The Director will normally respond to such information requests within 7 days.

Approval and Review

This Investment Policy Statement was prepared to provide a framework for the investment of The Friendly Trust's funds. It will be reviewed on an annual basis, or more frequently if requested by any of the trustees.
It will also be immediately reviewed should cash reserves exceed £500,000.

Structure, governance and management

Structure, Governance and Management Governing Document

The Charity is a company, limited by guarantee, registration number 03608297. It is registered with the Charity Commission number 1084265. The charity changed its memorandum and articles in November 2013 to allow itself to become a Trust Corporation.

Organisational structure

The Friendly Trust is governed by a Board of Trustee Directors, all of whom act in a voluntary unpaid capacity, and meet at least every other month to direct the work of The Friendly Trust.

Financial controls

Financial probity is attained by internal monitoring systems and by external audit. Cash handling is recognised as the area most vulnerable to error and fraud and so the systematic checking and monitoring is particularly scrupulous in this area.

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Structure, governance and management

Appointment, induction and training of new trustees

Strengthening governance remains a key priority for The Friendly Trust. Over the past 18 months, we have experienced several trustee resignations, prompting a focused effort to recruit new members to our Board.

In 2025, we successfully appointed eight new Trustees, bringing fresh perspectives, skills, and energy to the organisation. This significant expansion of the Board enhances our capacity to provide strong governance and strategic oversight as we plan for the future.

New Trustees are recruited through a combination of advertising on volunteer recruitment platforms and personal recommendations. Once appointed, they receive a comprehensive induction, including:

- A copy of the charity's governing documents.
- Introductions to fellow Trustees and staff members.
- Opportunities to observe and participate in Board meetings.
- Access to formal training on their legal responsibilities and the role of a Trustee, delivered periodically.

This structured approach ensures that all Trustees are well-equipped to contribute effectively to the governance and strategic direction of The Friendly Trust.

Reference and administrative details

Registered Company number
03608297 (England and Wales)

Registered Charity number
1084265

Registered office
Canton House
435-451 Cowbridge Road East
Canton
Cardiff
CF5 1JH

Trustees
Philip Joseph Boshier (Chair)
Norbert Flynn (resigned 21.10.24)
Janet Claire Burke (resigned 10.9.24)
David Keith Riman (resigned 31.8.24)
Matthew John Wedlake
Susan Lesley Roberts (resigned 13.3.25)
Jason Tucker (resigned 3.2.25)
Elinor Kerr- Smith (resigned 14.5.24)
Owain Phillips
Sarah Burke (resigned 15.5.25)
Zoe Victoria Hilton (appointed 14.1.25)
Rupert Philip Cecil Boston (appointed 14.1.25)
Fiona Mary Hughes (appointed 14.1.25)
Jaime Falarczyk (appointed 14.1.25)
Clio Galatea Khan (appointed 13.3.25)
Judith Anne Konkol (appointed 10.7.25)
Dafydd Emyr Hobbs (appointed 10.7.25)
Lawrence Adegoriola Gomez (appointed 10.7.25)

Auditors
Menzies LLP, Statutory Auditors
5th Floor Hodge House
114-116 St Mary Street
Cardiff
CF10 1DY

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Reference and administrative details

Bankers

The Co-operative Bank plc
PO Box 101
1 Ballon Street
Manchester
M60 4EP

CAFCASH Limited
PO Box 289
West Malling
Kent
ME19 4TA

Funds held as custodian for others

The Charity manages money on behalf of its services users. This service includes paying expenditure on their behalf, detailed records are kept ensuring that the Charity can identify amounts owed to/by each individual. As stated above when service users have substantial funds an Independent Financial Advisor is consulted for recommendations on appropriate investments.

Statement of trustees' responsibilities

The trustees (who are also the directors of The Friendly Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Menzies LLP, Statutory Auditors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on .....17-Oct-2025..... and signed on the board's behalf by:

Signed by:
Philip Boshier
.....DF3A115C74D5457.....
Philip Joseph Boshier - Trustee

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Report of the Independent Auditors to the Members of The Friendly Trust

Opinion

We have audited the financial statements of The Friendly Trust (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 31 March 2025 and of its incoming resources and application of resources, including 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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.

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Report of the Independent Auditors to the Members of
The Friendly Trust

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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.

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

Our planning procedures identify the legal and regulatory frameworks applicable to the operations and financial statements of the charity.These are reviewed internally with the audit team including relevant industry experience and expectations as well as externally with the client management. The key laws and regulations we considered in this context were the UK Companies ACT 2006, Charities Act 2011 and relevant tax legislation.

Once identified, we assess the risks of material misstatements in relation to the laws and regulations, irregularities, including fraud and adjust our testing accordingly. Our audit procedures include:

- Discussing with Trustees and management which areas of the business they believe to be more susceptible to fraud, and whether they have any knowledge or suspicion of fraudulent activities
- Obtaining an understanding of the key controls put in place by the charity to address risks identified, assessing the effectiveness of those and discussing how these are maintained and monitored internally
- Assessing the risk of management override through review of cashbook entries
- Discussing with Trustees and management the legal and regulatory obligations of the business and whether they have any knowledge or suspicion of non compliance
- Substantively testing by sample, income and expenditure transactions recorded against individual service users, reconciliations performed by management and the controls over-arching the safe guarding of service users funds.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularities likely involve collusion, forgery, intentional misrepresentation, or the override of internal controls.

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

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 auditors' 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.

Signed by:
Clive Edwards
1CA19438DBB8412...
Clive Edwards (Senior Statutory Auditor)
for and on behalf of Menzies LLP, Statutory Auditors
5th Floor Hodge House
114-116 St Mary Street
Cardiff
CF10 1DY

Date: 03-Dec-2025

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The Friendly Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2025

	Notes	Unrestricted funds	Restricted funds	2025 Total funds	2024 Total funds as restated
		£	£	£	£
Income and endowments from					
Donations and legacies	2	452	-	452	4,246
Charitable activities	4				
Core services		769,248	-	769,248	774,460
Investment income	3	5,570	-	5,570	7,407
Total		775,270	-	775,270	786,113
Expenditure on					
Charitable activities	5				
Core services		887,407	-	887,407	877,228
Net gains/(losses) on investments		(2,615)	-	(2,615)	17,671
NET INCOME/(EXPENDITURE)		(114,752)	-	(114,752)	(73,444)
Reconciliation of funds					
Total funds brought forward		423,599	-	423,599	497,043
Total funds carried forward		308,847	-	308,847	423,599

The notes form part of these financial statements

Docusign Envelope ID: 36E5E9CF-3FC9-4108-8C2F-7CCE7F53417F

The Friendly Trust (Registered number: 03608297)

Statement of Financial Position
31 March 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds as restated £
Current assets					
Debtors	13	65,723	-	65,723	83,789
Investments	14	250,425	-	250,425	363,931
Cash at bank and in hand		53,566	-	53,566	104,512
		369,714	-	369,714	552,232
Creditors					
Amounts falling due within one year	15	(50,867)	-	(50,867)	(108,633)
Net current assets		318,847	-	318,847	443,599
Total assets less current liabilities		318,847	-	318,847	443,599
Provisions for liabilities	17	(10,000)	-	(10,000)	(20,000)
NET ASSETS		308,847	-	308,847	423,599
Funds	18				
Unrestricted funds				308,847	423,599
Total funds				308,847	423,599

The financial statements were approved by the Board of Trustees and authorised for issue on 17-Oct-2025 ..... and were signed on its behalf by:

Signed by:
Philip Boshier
DF3A116C74D5457...
Philip Joseph Boshier - Trustee

The notes form part of these financial statements

Docusign Envelope ID: 36E5E9CF-3FC9-4108-8C2F-7CCE7F53417F

The Friendly Trust

Statement of Cash Flows
for the Year Ended 31 March 2025

	Notes	2025 £	2024 as restated £
Cash flows from operating activities			
Cash generated from operations	1	(160,022)	(156,569)
Movement in provision		(10,000)	(15,000)
Net cash used in operating activities		(170,022)	(171,569)
Cash flows from investing activities			
Investments		113,506	90,549
Interest received		5,570	7,407
Net cash provided by investing activities		119,076	97,956
Change in cash and cash equivalents in the reporting period		(50,946)	(73,613)
Cash and cash equivalents at the beginning of the reporting period		104,512	178,125
Cash and cash equivalents at the end of the reporting period		53,566	104,512

The notes form part of these financial statements

Docusign Envelope ID: 36E5E9CF-3FC9-4108-8C2F-7CCE7F53417F

Notes to the Statement of Cash Flows for the Year Ended 31 March 2025

1. Reconciliation of net expenditure to net cash flow from operating activities

	2025	2024 as restated
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(114,752)	(73,444)
Adjustments for:		
Losses on investments	-	(17,671)
Interest received	(5,570)	(7,407)
Prior year adjustment	-	(82,606)
Decrease in debtors	18,066	87,238
Decrease in creditors	(57,766)	(62,679)
Net cash used in operations	(160,022)	(156,569)

2. Analysis of changes in net funds

	At 1.4.24	Cash flow	At 31.3.25
	£	£	£
Net cash			
Cash at bank and in hand	104,512	(50,946)	53,566
	104,512	(50,946)	53,566
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	363,931	(113,506)	250,425
	363,931	(113,506)	250,425
Total	468,443	(164,452)	303,991

Docusign Envelope ID: 36E5E9CF-3FC9-4108-8C2F-7CCE7F53417F

1. Accounting policies

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

Income
Service user fees, donations and similar incoming resources are recognised when they are received. Outstanding legacies are regularly reviewed and recognised when the incoming resource can be measured with sufficient reliability. Donations in kind are included as income at a fair value. Donated time provided by volunteers is not included.

Investment income is recognised on a receivable basis.

Grants are included as an incoming resource when the charity is entitled to the resources, it is virtually certain that the incoming resource will be received and the monetary value can be measured with sufficient reliability. Revenue grants are credited to the income and expenditure account in the year to which they relate. Where grants have been received but relate to a future accounting period, that part of the grant received is deferred to the appropriate period.

Expenditure
Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

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

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

Taxation
The company is a registered charity and all of its income is primary purpose it is, therefore, exempt from taxation.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Operating leases
Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Provisions
Where liabilities exist of uncertain timing and amount, the Charity provides for its best estimate of any eventual costs to be incurred.

Debtors
Debtors are recorded at the value of their recoverable amount.

continued...

Docusign Envelope ID: 36E5E9CF-3FC9-4108-8C2F-7CCE7F53417F

1. Accounting policies - continued

Investments
Investment balances reflect amounts held on deposit to achieve an improved rate of return in line with the Charities treasury management policy.

Creditors
Creditors are recorded at the value of the identified liability.

2. Donations and legacies

	2025	2024 as restated
	£	£
Legacies, bequests and donations	452	4,246

3. Investment income

	2025	2024 as restated
	£	£
Deposit account interest	5,570	7,407

4. Income from charitable activities

	Activity	2025	2024 as restated
		£	£
Grants	Core services	15,000	-
Cardiff County Council	Core services	382,638	360,636
Torfaen County Borough Council	Core services	66,280	66,280
Vale of Glamorgan Council	Core services	88,888	88,795
Monmouthshire County Council	Core services	3,168	2,880
North Somerset Council	Core services	6,585	6,917
Fees re service users	Core services	141,210	146,952
Newport Borough Council	Core services	1,584	1,440
Rhondda Cynon Taf Council		63,895	100,560
		769,248	774,460

continued...

Docusign Envelope ID: 36E5E9CF-3FC9-4108-8C2F-7CCE7F53417F

4. Income from charitable activities - continued

Grants received, included in the above, are as follows:

	2025	2024 as restated
	£	£
Moondance Foundation	15,000	-

5. Charitable activities costs

	Direct Costs	Support costs (see note 6)	Totals
	£	£	£
Core services	736,162	151,245	887,407

6. Support costs

	Finance	Other	Governance costs	Totals
	£	£	£	£
Core services	155,593	(10,000)	5,652	151,245

The other income relates to a reduction in the dilapidation provision as detailed in note 15.

Support costs, included in the above, are as follows:

	2025 Core services	2024 as restated Total activities
	£	£
Wages	140,335	117,735
Social security	15,258	12,941
Repairs and renewals	(10,000)	(15,000)
Auditors' remuneration	3,768	3,765
Auditors' remuneration for non audit work	1,884	1,883
	151,245	121,324

7. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2025	2024 as restated
	£	£
Auditors' remuneration	3,768	3,765
Auditors' remuneration for non audit work	1,884	1,883

continued...

Docusign Envelope ID: 36E5E9CF-3FC9-4108-8C2F-7CCE7F53417F

8. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Trustees' expenses

There were no trustees' expenses reimbursed for the year ended 31 March 2025 nor for the year ended 31 March 2024.

9. Staff costs

	2025	2024 as restated
	£	£
Wages and salaries	647,753	651,421
Social security costs	62,558	68,618
Other pension costs	50,687	53,542
	760,998	773,581

Key management personnel

The total amount of employee benefits received by its key management personnel for their services to the Charity was £233,323 (2024: £229,346), there were 5 staff members considered key management personnel.

The average monthly number of employees during the year was as follows:

	2025	2024 as restated
Charitable activities	17	20
Support and administration	5	5
	22	25

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025	2024 as restated
£70,001 - £80,000	1	-

10. Exceptional items

Included in expenditure in the year are exceptional items totalling £10,237. These were three isolated incidents, one was the requisition of a specialist report on a particularly complex case, and the other two were in respect of changes to expected benefits.

11. Comparatives for the statement of financial activities

	Unrestricted funds	Restricted funds	Total funds as restated
	£	£	£
Income and endowments from			
Donations and legacies	4,246	-	4,246
Charitable activities			
Core services	774,460	-	774,460
Investment income	7,407	-	7,407
Total	786,113	-	786,113

continued...

Docusign Envelope ID: 36E5E9CF-3FC9-4108-8C2F-7CCE7F53417F

11. Comparatives for the statement of financial activities - continued

	Unrestricted funds	Restricted funds	Total funds as restated
	£	£	£
Expenditure on Charitable activities			
Core services	877,228	-	877,228
Net gains on investments	17,671	-	17,671
NET INCOME/(EXPENDITURE)	(73,444)	-	(73,444)
Reconciliation of funds			
Total funds brought forward	497,043	-	497,043
Total funds carried forward	423,599	-	423,599

12. Prior year adjustment

A prior year adjustment of £82,606.50 has been made as it was previously understood that council funding was received quarterly in arrears. Following the signing and filing of the 31 March 2024 accounts, it was confirmed that funding is in fact paid quarterly in advance. As a result, brought forward funds had been overstated and have now been corrected through this prior year adjustment.

13. Debtors: amounts falling due within one year

	2025	2024 as restated
	£	£
Grant debtors	42,675	75,851
Other debtors	-	1,122
Prepayments and accrued income	23,048	6,816
	65,723	83,789

14. Current asset investments

	2025	2024 as restated
	£	£
Cash held on deposit	250,425	363,931

continued...

Docusign Envelope ID: 36E5E9CF-3FC9-4108-8C2F-7CCE7F53417F

15. Creditors: amounts falling due within one year

	2025	2024 as restated
	£	£
Social security and other taxes	13,727	16,387
Amounts owed to service users	31,318	87,266
Accruals and deferred income	5,822	4,980
	50,867	108,633

16. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2025	2024 as restated
	£	£
Within one year	18,911	-
Between one and five years	37,823	-
	56,734	-

The lease agreement included a break option available in March 2024 or March 2028. The March 2024 option was not exercised.

17. Provisions for liabilities

	2025	2024 as restated
	£	£
Provisions	10,000	20,000
Balance brought forward	20,000	35,000
Amounts provided in the year		-
Amounts released in the year	(10,000)	(15,000)
Balance carried forward	10,000	20,000

The dilapidation provision has been reduced by £10,000. This covers the Trust's legal commitment should they decide to leave their current premises.

18. Movement in funds

	At 1.4.24	Net movement in funds	At 31.3.25
	£	£	£
Unrestricted funds			
General fund	423,599	(114,752)	308,847
TOTAL FUNDS	423,599	(114,752)	308,847

continued...

Docusign Envelope ID: 36E5E9CF-3FC9-4108-8C2F-7CCE7F53417F

18. Movement in funds - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	775,270	(887,407)	(2,615)	(114,752)
TOTAL FUNDS	775,270	(887,407)	(2,615)	(114,752)

Comparatives for movement in funds

	At 1.4.23 £	Net movement in funds £	At 31.3.24 £
Unrestricted funds			
General fund	497,043	(73,444)	423,599
TOTAL FUNDS	497,043	(73,444)	423,599

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	786,113	(877,228)	17,671	(73,444)
TOTAL FUNDS	786,113	(877,228)	17,671	(73,444)

Unrestricted funds
Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

19. Employee benefit obligations

The charity operates a defined contribution scheme. The pension costs charge for the year represents contributions payable by the charity to the scheme and amounted to £50,687 (2024: £53,542).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

20. Related party disclosures

There were no related party transactions for the year ended 31 March 2025.

continued...

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21. Managed funds

As at 31 March 2025 the Friendly Trust actively managed funds totalling £13,491,801 (2024: £13,841,369) on behalf of its service users.

22. Members' liability

The charity is a private company, incorporated in England and Wales, limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

THE FRIENDLY TRUST

England & Wales - Charity number 1084265

Accounts

REGISTERED COMPANY NUMBER: 03608297 (England and Wales)
REGISTERED CHARITY NUMBER: 1084265

Report of the Trustees and

Audited Financial Statements for the Year Ended 31 March 2024

for

The Friendly Trust

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Report of the Trustees
for the Year Ended 31 March 2024

Introduction

What we do

The Friendly Trust helps vulnerable people with their money. We work in partnership with people who have disabilities, or disabling illnesses, their families, and carers to enable them to manage their money more effectively and end the distress and isolation caused by poverty, abuse, and debt.

The people we support are often at risk of exploitation and abuse, as described by the Financial Conduct Authority's report in 2020 - Financial Lives: The Experiences of Vulnerable Customers which stated 4 drivers of vulnerability:

- Health - health conditions or illnesses that affect the ability to carry out day-to-day tasks.
- Life events - major life events such as bereavement, job loss or relationship breakdown
- Resilience - low ability to withstand financial or emotional shocks.
- Capability - low knowledge of financial matters or low confidence in managing money (financial capability). Low capability in other relevant areas such as literacy or digital skills.

In their 2020 Financial Survey, the FCA found that 46% of UK adults (24.1 million people) display one or more characteristics that fall under these drivers. They suggest that some groups are more likely to display characteristics of vulnerability than others, such as those over 75, those unemployed, those who rent and those with no formal qualifications.

The people we support will often display more than one characteristic of vulnerability and without the appropriate support, are at risk of:

- Financial exclusion.
- Difficulty in accessing services.
- Exploitation by family members or carers.
- Discrimination and stigma.
- Scams.
- Over-indebtedness.
- Exposure to mis-selling.
- Buying inappropriate products or services.

We believe that vulnerable people:

1. have the same value and status as everyone else.
2. have a right to make important decisions for themselves.
3. have a right to support from their families, communities and any other support which will help them achieve their wishes and goals.
4. have a right to influence and shape services and service delivery.

We provide accessible information and personalised, practical help to help people become more financially independent, improving the quality and security of their lives.

Operations and change

This financial year has been one of considerable change and development, alongside weathering sustainability challenges (driven by a rapidly inflating cost base) that have been impacting many small and medium charities across the third sector.

A highlight of the financial year was the appointment by the Trustees of a new Director via an executive search agency. An executive search agency was engaged by the Trustees to ensure the charity was able to appoint a high calibre individual in a very competitive and tight labour market to ensure the continued quality of our services to the 500 service users that rely on the Friendly Trust.

The new Director has set about driving a programme of change built around clear priorities to both shore up the sustainability of the Trust following the cost-of-living crisis shock and leadership change, and to deliver productivity and service enhancements. Progress in these areas is reported against at each Trustee meeting. Some of the key changes include:

- In light of ongoing budget constraints, the Trustees made the difficult decision to offer staff the opportunity for voluntary redundancy to balance future financial years' budgets. Two staff members accepted this offer and departed the organisation during the year.
- The Trustees approved new Service User management software to boost efficiency and automate processes. The Director identified suitable software providers, who demonstrated their solutions to the management team. CasparGov by Plainz was chosen for implementation. Currently, data migration is underway, with a transition planned for early 2025. We also achieved Cyber Essential accreditation in late 2023 to protect our staff and Service Users' data.

- One of the significant challenges we faced was the routine process of changing the named Deputy on several Court of Protection Deputyship Orders. The organisation held Orders that named the previous Co-ordinator as the Deputy. Following advice from the Court of Protection, we made a block application to list the named Deputy as the Holder of the Office of Coordinator of the Friendly Trust. In response, the Court directed the Office of the Public Guardian (OPG) to report on whether the Friendly Trust remains an appropriate organisation for the appointment of its officeholder and whether the current holder of the office of Co-ordinator is suitable for deputyship appointment. This investigation raised the issue of Trust Corporation status, which had been delayed by the Ministry of Justice's lack of response to an application made in 2014. To address this, the court scheduled a hearing for the end of October, where the Friendly Trust successfully argued for the previous Co-ordinator to be resigned as Deputy and for new Orders to be issued with the Holder of the Office of Coordinator of the Friendly Trust listed as the new Deputy. As a result, all the Court of Protection Deputy Orders held by the Friendly Trust are now consistent. The issue of whether trust corporation status is necessary and/or beneficial for the Trust will be considered separately with the Trust's solicitors.

Objectives and activities
Objectives and aims
Delivering our charitable objectives

The Friendly Trust is led by a Director who is supported by a Board of Trustees to deliver the current strategic plan (set out below).
The Friendly Trust delivers its day-to-day business via the following primary services:

- Work with vulnerable people who need help to manage their money including debts;
- Assist vulnerable people to claim their rights to social security benefits;
- Work with vulnerable people, older people and carers to safeguard their future by making a lasting power of attorney;
- Provide advice to families how they can plan for the future of their vulnerable relative,
- Advise families on making wills and setting up trust funds to benefit a vulnerable relative,
- Manage Trusts which benefit a vulnerable person;
- Act as Deputy appointed by the Court of Protection
- Lessen or eradicate vulnerability to financial abuse.

The regular activities of the charity are carried out by Trust Officers, who are led and supervised by Team Managers. These managers also handle their own complex caseloads, with support from our Administration team. While the Team Managers and Trust Officers work closely with Service Users, the administrative team oversees the management of both the charity's funds and the Service Users' money. This oversight is conducted under the authority granted by the Court of Protection, the Department for Work and Pensions, and the individuals themselves (under Lasting Power of Attorney). Staff time is valuable and there is big demand for the service. At the time of writing 105 people were on the waiting list for a service.

Over the course of the year the Friendly Trust worked with 616 Service Users across the following Local Authorities and funding partners. Over the course of its existence the Friendly Trust has supported over 3,200 individuals with 91% stating that their bills are more manageable with our support and guidance.

We continue to work with the following organisations.

- Cardiff Council
- Monmouthshire Council
- Newport Council
- North Somerset Council
- Rhondda-Cynon-Taff
- Torfaen Council
- Vale of Glamorgan Council

We are extremely grateful to our funding partners for their continued support of The Friendly Trust.

Report of the Trustees
for the Year Ended 31 March 2024

Objectives and activities
Public benefit
We refer to the guidance contained in the Charity Commission's general guidance on public benefit and in particular, the trustees consider how planned activities will contribute to our aims and objectives. All our charitable activities focus on helping vulnerable people, including disabled people and people who are ill; their families and unpaid carers to achieve financial independence and security.
This can include providing advice or practical help to budget and manage money and planning for the future by making a will or setting up a trust for a vulnerable relative. Unfunded advice is provided to any vulnerable person or unpaid carer calling in person or by telephone during "office duty" times which are weekdays 10am until 12pm and 2pm until 4pm. Monitoring and feedback exercises are carried out to evidence funding we receive for specific projects in addition to the annual satisfaction survey conducted across all projects and core services.

The Trust continues to operate and deliver against its existing strategic plan.
Our goals over the next two years are:

- Remain focused on providing public benefit;
- Deliver outstanding levels of service-to-service users;
- Deliver a balanced budget; and
- Ensure the good administration and governance of The Friendly Trust

To meet our goals, we will pursue the following strategies:

- **Pursue partnership**: we will look for and develop opportunities for joint working with other agencies;

- **Invest in staff:** we will attract, retain and invest in a team of skilled and motivated staff and volunteers, focusing on their professional development and reward;

- **Develop trustees:** we will attract, retain and support the development of a skilled and diverse Board of Trustees;

- **Involve service users**: we will ensure we seek out and listen to the voices of our service users and continuously look for ways to involve them in the work of The Friendly Trust;

- **Offer free services**: we will continue to provide free services to some service users and expand this free service;

- **Grow only when prudent:** we will grow The Friendly Trust in a wise and prudent manner as suitable opportunities present themselves, but never at the risk of compromising our standards of service or our public benefit;

- **Be financially practical**: we will carry on a conversation with our funders each year to make sure we have the reasonable resources we need to deliver the outstanding levels of service we and they expect us to deliver.

- **Develop a sustainable fundraising program**: We have engaged Richard Newton Consulting - a Cardiff based firm with experience in fundraising for the 3rd sector to help us create and deliver a long-term fundraising strategy by building relationships with a number of Trusts and Foundations to secure a valuable and consistent source of additional income,

- **Ensure we work in an environmentally sustainable model:** We are constantly seeking ways in which to decrease the volume of paperwork managed by the charity. We have switched to using electronic application processes where available and will further reduce our requirement for paper bank statement with the implementation of CasparGov. We have introduced a cycle to work scheme for employees and we monitor how our waste is recycled by our waste carrier.

Trustees
The board continues to meet on a bi-monthly basis providing direction and support for the staff and appropriate oversight of charity operations and significant decisions.

Strategic report
Financial Review
The Charity's net outgoing resources amounted to £73,444 (2023 net incoming resources: £42,381), which has decreased the available funds from £579,649 to £506,205. No restricted income received in the year.

Strategic report

Financial review

Investment policy and objectives

The Friendly Trust is a registered charity which helps vulnerable adults to manage their money.
This investment policy applies to the unrestricted reserves and restricted reserves held by The Friendly Trust. It is not applicable to investments made on behalf of our service users in the role of Appointee, Deputy, Attorney, Executor or Trustee.

The Trustees of The Friendly Trust are governed by the Trustee Act 2000 which sets out the general power of investment. This policy is intended to clarify the responsibilities of the trustees and provide additional working guidance in relation to The Friendly Trust's investments; it is not intended to supersede or contradict the Trustee Act 2000.

Investment Objectives

The Friendly Trust seeks to produce the best financial return within an acceptable level of risk. Capital preservation is the highest priority in deciding where to place funds.

Reserves policy

The economic climate facing the Third Sector over the past few years has continued to place pressure on funding streams and the Trustees acknowledge the need to retain available reserves to facilitate the continuance of at least the current level of service delivery. The Charity provides a range of services which are unfunded and without sufficient reserves, this assistance would be at risk. The Trustees also recognise that should a closure of operations be required due to any external factors, they would want to do so in such a way that those who rely on The Friendly Trust, both those who work for the Charity and those who receive direct services from it, are not and do not feel abandoned.

The policy of the Charity, which is reviewed at regular intervals, is to aim towards securing sufficient reserves to fund six months' worth of operational costs in order to meet these needs. At the balance sheet date, the level of available unrestricted funds amounted to £506,205 (2023: £579,649).

Strategic report

Risk

The unrestricted cash reserves of The Friendly Trust are broadly in line with the minimum deemed necessary to provide working capital for our operations and to deal with any reasonable risks that materialise and may result in an unexpected increase in expenditure or a reduction in income. Capital volatility beyond the Trustee's risk appetite must be avoided and unrestricted reserves should be invested with a cautious approach to risk.

Restricted cash reserves, when held, are required to fund specific projects and liabilities. Capital volatility should be avoided, and funds should be invested with a conservative approach to risk.

The Charity's funds should be held in cash or near cash investments denominated in sterling. The exception to this would be in circumstances if foreign assets or assets not held in cash were bequeathed to the charity. In such circumstances The Friendly Trust would take professional advice as soon as possible.

The Friendly Trust will usually make use of banks and building societies covered by the UK'S Financial Services Compensation Scheme. The institution should also be incorporated in the UK. The sum of money placed in such institutions (or related group) should not normally exceed the maximum limit for compensation under the Scheme (currently £85,000). The Friendly Trust will seek professional financial advice before investing in any institution not covered in paragraph above. The institution/investment must be regulated by the Financial Services Authority (FSA) or Prudential Regulation Authority (PRA).

Any investment opportunity which could not be described as being placed with a "bank or building society" (as outlined in paragraph above) must be discussed, agreed and noted at a management committee meeting to which all the trustees have been invited.

Liquidity Requirements

Approximately £100,000 of available reserves constitutes a working balance and should be held where it can be immediately accessed. The balance of funds may be invested for a period up to 3 years however, any investment for a period exceeding 365 days requires the approval of the Board of Trustees.

Management, Reporting and Monitoring

Day to day decisions on placing and withdrawing deposits are to be made by the Director.
The Director will monitor the cash position and performance and report this to the Board at least annually.
Any of the trustees may request information from the Director at any time regarding cash balances, The Friendly Trust's investments or other budgetary information. The Director will normally respond to such information requests within 7 days.

Approval and Review

This Investment Policy Statement was prepared to provide a framework for the investment of The Friendly Trust's funds.
It will be reviewed on an annual basis, or more frequently if requested by any of the trustees.
It will also be immediately reviewed should cash reserves exceed £500,000.

Structure, governance and management

Structure, Governance and Management Governing Document

The Charity is a company, limited by guarantee, registration number 03608297. It is registered with the Charity Commission number 1084265. The charity changed its memorandum and articles in November 2013 to allow itself to become a Trust Corporation.

Organisational structure

The Friendly Trust is governed by a Board of Trustee Directors, all of whom act in a voluntary unpaid capacity, and meet at least every other month to direct the work of The Friendly Trust.

Financial controls

Financial probity is attained by internal monitoring systems and by external audit. Cash handling is recognised as the area most vulnerable to error and fraud and so the systematic checking and monitoring is particularly scrupulous in this area.

Appointment, induction and training of new trustees

There is an on-going need to recruit new trustees to strengthen the governance of The Friendly Trust. New trustees are sought through advertising on volunteer recruitment sites. Potential trustees may also be approached following personal recommendation. New trustees are sent the governing documents and introduced to other trustees and staff members. Formal training for trustees on their legal responsibilities is held from time to time.

We have seen several resignations over the past 18 months, and we are in the process of Trustee recruitment to ensure we have the best team of trustees overseeing the governance and future direction of the charity. good governance and Trust outcomes.

Report of the Trustees
for the Year Ended 31 March 2024

Reference and administrative details
Registered Company number
03608297 (England and Wales)

Registered Charity number
1084265

Registered office
Canton House
435-451 Cowbridge Road East
Canton
Cardiff
CF5 1JH

Trustees
Philip Joseph Boshier (Chair)
Norbert Flynn (resigned 21.10.24)
Janet Claire Burke (resigned 10.9.24)
David Keith Riman (resigned 31.8.24)
Jonathan Cordy (resigned 12.9.23)
Matthew John Wedlake
Susan Lesley Roberts
Jason Tucker
Elinor Kerr- Smith (resigned 14.5.24)
Owain Phillips
Sarah Burke (appointed 12.3.24)

Auditors
Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Bankers
The Co-operative Bank plc
PO Box 101
1 Ballon Street
Manchester
M60 4EP

CAFCASH Limited
PO Box 289
West Malling
Kent
ME19 4TA

Funds held as custodian for others
The Charity manages money on behalf of its services users. This service includes paying expenditure on their behalf, detailed records are kept ensuring that the Charity can identify amounts owed to/by each individual. As stated above when service users have substantial funds an Independent Financial Advisor is consulted for recommendations on appropriate investments.

Statement of trustees' responsibilities
The trustees (who are also the directors of The Friendly Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Statement of trustees' responsibilities - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Haines Watts Wales LLP, Statutory Auditors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on ...11.12.24..... and signed on the board's behalf by:

.....
Philip Joseph Boshier - Trustee

Report of the Independent Auditors to the Members of The Friendly Trust

Opinion

We have audited the financial statements of The Friendly Trust (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 31 March 2024 and of its incoming resources and application of resources, including 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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.

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

Our planning procedures identify the legal and regulatory frameworks applicable to the operations and financial statements of the charity.These are reviewed internally with the audit team including relevant industry experience and expectations as well as externally with the client management. The key laws and regulations we considered in this context were the UK Companies ACT 2006, Charities Act 2011 and relevant tax legislation.

Once identified, we assess the risks of material misstatements in relation to the laws and regulations, irregularities, including fraud and adjust our testing accordingly. Our audit procedures include:

- Discussing with Trustees and management which areas of the business they believe to be more susceptible to fraud, and whether they have any knowledge or suspicion of fraudulent activities
- Obtaining an understanding of the key controls put in place by the charity to address risks identified, assessing the effectiveness of those and discussing how these are maintained and monitored internally
- Assessing the risk of management override through review of cashbook entries
- Discussing with Trustees and management the legal and regulatory obligations of the business and whether they have any knowledge or suspicion of non compliance
- Substantively testing by sample, income and expenditure transactions recorded against individual service users, reconciliations performed by management and the controls over-arching the safe guarding of service users funds.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularities likely involve collusion, forgery, intentional misrepresentation, or the override of internal controls.

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

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 auditors' 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.

Clive Edwards (Senior Statutory Auditor)
for and on behalf of Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Date: 13 December 2014

The Friendly Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
Income and endowments from					
Donations and legacies	2	4,246	-	4,246	12,041
Charitable activities	4				
Core services		774,460	-	774,460	710,639
Investment income	3	7,407	-	7,407	3,010
Total		786,113	-	786,113	725,690
Expenditure on					
Charitable activities	5				
Core services		877,228	-	877,228	670,245
Net gains/(losses) on investments		17,671	-	17,671	(13,064)
NET INCOME/(EXPENDITURE)		(73,444)	-	(73,444)	42,381
Reconciliation of funds					
Total funds brought forward		579,649	-	579,649	537,268
Total funds carried forward		506,205	-	506,205	579,649

The notes form part of these financial statements

Statement of Financial Position
31 March 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
Current assets					
Debtors	11	166,395	-	166,395	171,027
Investments	12	363,931	-	363,931	436,809
Cash at bank and in hand		104,512	-	104,512	178,125
		634,838	-	634,838	785,961
Creditors					
Amounts falling due within one year	13	(108,633)	-	(108,633)	(171,312)
Net current assets		526,205	-	526,205	614,649
Total assets less current liabilities		526,205	-	526,205	614,649
Provisions for liabilities	14	(20,000)	-	(20,000)	(35,000)
NET ASSETS		506,205	-	506,205	579,649
Funds	15				
Unrestricted funds				506,205	579,649
Total funds				506,205	579,649

The financial statements were approved by the Board of Trustees and authorised for issue on 11/12/24 and were signed on its behalf by:

.....
Philip Joseph Boshier - Trustee

The notes form part of these financial statements

The Friendly Trust

Statement of Cash Flows
for the Year Ended 31 March 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	(156,569)	16,647
Movement in provision		(15,000)	-
Net cash (used in)/provided by operating activities		(171,569)	16,647
Cash flows from investing activities			
Investments		90,549	(47,946)
Interest received		7,407	3,010
Net cash provided by/(used in) investing activities		97,956	(44,936)
Change in cash and cash equivalents in the reporting period		(73,613)	(28,289)
Cash and cash equivalents at the beginning of the reporting period		178,125	206,414
Cash and cash equivalents at the end of the reporting period		104,512	178,125

The notes form part of these financial statements

Notes to the Statement of Cash Flows for the Year Ended 31 March 2024

1. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2024 £	2023 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(73,444)	42,381
Adjustments for:		
Losses on investments	(17,671)	-
Interest received	(7,407)	(3,010)
Decrease/(increase) in debtors	4,632	(29,811)
(Decrease)/increase in creditors	(62,679)	7,087
Net cash (used in)/provided by operations	(156,569)	16,647

2. Analysis of changes in net funds

	At 1.4.23 £	Cash flow £	At 31.3.24 £
Net cash			
Cash at bank and in hand	178,125	(73,613)	104,512
	178,125	(73,613)	104,512
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	436,809	(72,878)	363,931
	436,809	(72,878)	363,931
Total	614,934	(146,491)	468,443

The notes form part of these financial statements

1. Accounting policies

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

Income
Service user fees, donations and similar incoming resources are recognised when they are received. Outstanding legacies are regularly reviewed and recognised when the incoming resource can be measured with sufficient reliability. Donations in kind are included as income at a fair value. Donated time provided by volunteers is not included.

Investment income is recognised on a receivable basis.

Grants are included as an incoming resource when the charity is entitled to the resources, it is virtually certain that the incoming resource will be received and the monetary value can be measured with sufficient reliability. Revenue grants are credited to the income and expenditure account in the year to which they relate. Where grants have been received but relate to a future accounting period, that part of the grant received is deferred to the appropriate period.

Expenditure
Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

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

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

Taxation
The company is a registered charity and all of its income is primary purpose it is, therefore, exempt from taxation.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Operating leases
Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Provisions
Where liabilities exist of uncertain timing and amount, the Charity provides for its best estimate of any eventual costs to be incurred.

Debtors
Debtors are recorded at the value of their recoverable amount.

continued...

1. Accounting policies - continued

Investments
Investment balances reflect amounts held on deposit to achieve an improved rate of return in line with the Charities treasury management policy.

Creditors
Creditors are recorded at the value of the identified liability.

2. Donations and legacies

	2024	2023
	£	£
Legacies, bequests and donations	4,246	12,041

3. Investment income

	2024	2023
	£	£
Deposit account interest	7,407	3,010

4. Income from charitable activities

	Activity	2024	2023
		£	£
Cardiff County Council	Core services	360,636	331,737
Torfaen County Borough Council	Core services	66,280	66,280
Vale of Glamorgan Council	Core services	88,795	77,207
Monmouthshire County Council	Core services	2,880	2,025
North Somerset Council	Core services	6,917	-
Fees re service users	Core services	146,952	138,320
Newport Borough Council	Core services	1,440	1,260
Rhondda Cynon Taf Council		100,560	93,810
		774,460	710,639

continued...

5. Charitable activities costs

	Direct Costs £	Support costs (see note 6) £	Totals £
Core services	755,904	121,324	877,228

6. Support costs

	Finance £	Other £	Governance costs £	Totals £
Core services	130,676	(15,000)	5,648	121,324

The other income relates to a reduction in the dilapidation provision as detailed in note 14.

Support costs, included in the above, are as follows:

	2024 Core services	2023 Total activities
	£	£
Wages	117,735	86,116
Social security	12,941	8,517
Repairs and renewals	(15,000)	-
Auditors' remuneration	2,119	1,800
Auditors' remuneration for non audit work	3,529	2,999
	121,324	99,432

7. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2024 £	2023 £
Auditors' remuneration	2,119	1,800
Auditors' remuneration for non audit work	3,529	2,999

8. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023..

Trustees' expenses

During the year trustees were reimbursed for travel expenses of £nil (2023: £95).

continued...

9. Staff costs

	2024	2023
	£	£
Wages and salaries	651,421	470,399
Social security costs	68,618	50,274
Other pension costs	53,542	44,604
	773,581	565,277

The average monthly number of employees during the year was as follows:

	2024	2023
Charitable activities	20	14
Support and administration	5	7
	25	21

No employees received emoluments in excess of £60,000.

10. Comparatives for the statement of financial activities

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Income and endowments from			
Donations and legacies	12,041	-	12,041
Charitable activities			
Core services	710,639	-	710,639
Investment income	3,010	-	3,010
Total	725,690	-	725,690
Expenditure on			
Charitable activities			
Core services	670,245	-	670,245
Net gains/(losses) on investments	(13,064)	-	(13,064)
NET INCOME	42,381	-	42,381
Reconciliation of funds			
Total funds brought forward	537,268	-	537,268
Total funds carried forward	579,649	-	579,649

continued...

11. Debtors: amounts falling due within one year

	2024	2023
	£	£
Grant debtors	158,457	163,475
Other debtors	1,122	1,122
Prepayments and accrued income	6,816	6,430
	166,395	171,027

12. Current asset investments

	2024	2023
	£	£
Cash held on deposit	363,931	436,809

13. Creditors: amounts falling due within one year

	2024	2023
	£	£
Social security and other taxes	16,387	10,853
Amounts owed to service users	87,266	154,175
Accruals and deferred income	4,980	6,284
	108,633	171,312

14. Provisions for liabilities

	2024	2023
	£	£
Provisions	20,000	35,000

Balance brought forward	35,000	25,000
Amounts provided in the year		10,000
Amounts released in the year	(15,000)	-
Balance carried forward	20,000	35,000

The dilapidation provision has been reduced by £15,000. This covers the Trust's legal commitment should they decide to leave their current premises.

15. Movement in funds

	At 1.4.23	Net movement in funds	At 31.3.24
	£	£	£
Unrestricted funds			
General fund	579,649	(73,444)	506,205
TOTAL FUNDS	579,649	(73,444)	506,205

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	786,113	(877,228)	17,671	(73,444)
TOTAL FUNDS	786,113	(877,228)	17,671	(73,444)

continued...

15. Movement in funds - continued

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	537,268	42,381	579,649
TOTAL FUNDS	537,268	42,381	579,649

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	725,690	(670,245)	(13,064)	42,381
TOTAL FUNDS	725,690	(670,245)	(13,064)	42,381

Unrestricted funds
Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

16. Employee benefit obligations

The charity operates a defined contribution scheme. The pension costs charge for the year represents contributions payable by the charity to the scheme and amounted to £53,542 (2023: £44,604).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

17. Related party disclosures

There were no related party transactions for the year ended 31 March 2024.

18. Managed funds

As at 31 March 2024 the Friendly Trust actively managed funds totalling £13,841,369 (2023: £12,081,306) on behalf of its service users.

19. Members' liability

The charity is a private company, incorporated in England and Wales, limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

Detailed Statement of Financial Activities for the Year Ended 31 March 2024

	2024 £	2023 £
Income and endowments		
Donations and legacies		
Legacies, bequests and donations	4,246	12,041
Investment income		
Deposit account interest	7,407	3,010
Charitable activities		
Cardiff County Council	360,636	331,737
Torfaen County Borough Council	66,280	66,280
Vale of Glamorgan Council	88,795	77,207
Monmouthshire County Council	2,880	2,025
North Somerset Council	6,917	-
Fees re service users	146,952	138,320
Newport Borough Council	1,440	1,260
Rhondda Cynon Taf Council	100,560	93,810
	774,460	710,639
Total incoming resources	786,113	725,690
Expenditure		
Charitable activities		
Wages	533,686	384,283
Social security	55,677	41,757
Pensions	53,542	44,604
Volunteer expenses	1,649	66
Rent, rates and service charges	31,183	30,276
Insurance	23,588	17,164
Equipment costs not capitalised	8,557	4,468
Office costs	2,628	9,516
Travel and subsistence	6	6,636
Books, publications and training	174	-
Legal and professional fees	2,588	548
Utilities	4,117	3,120
Telephone	8,624	7,737
Recruitment & vetting costs	16,631	9,975
Conference & Training	1,548	96
Books & memberships	-	39
Postage	1,966	1,852
IT services & software	3,893	5,711
Bank charges	98	93
Legal fees	48	-
Printing & Stationary	5,701	2,872
	755,904	570,813
Support costs		
Finance		
Wages	117,735	86,116
Social security	12,941	8,517
	130,676	94,633
Other		
Repairs and renewals	(15,000)	-

Detailed Statement of Financial Activities for the Year Ended 31 March 2024

	2024 £	2023 £
Other		
Governance costs		
Auditors' remuneration	2,119	1,800
Auditors' remuneration for non audit work	3,529	2,999
	5,648	4,799
Total resources expended	877,228	670,245
Net (expenditure)/income before gains and losses	(91,115)	55,445
Realised recognised gains and losses		
Realised gains/losses on current asset investments	17,671	(13,064)
Net (expenditure)/income	(73,444)	42,381

THE FRIENDLY TRUST

England & Wales - Charity number 1084265

Accounts

REGISTERED COMPANY NUMBER: 03608297 (England and Wales)
REGISTERED CHARITY NUMBER: 1084265

Report of the Trustees and

Audited Financial Statements for the Year Ended 31 March 2023

for

The Friendly Trust

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The Friendly Trust

Report of the Trustees
for the Year Ended 31 March 2023

Introduction

The Friendly Trust helps vulnerable people with their money. We work in partnership with people who have disabilities, disabling illnesses, their families and carers by providing practical support and advice to enable them to manage their money more effectively and to end the distress and isolation caused by poverty, abuse and debt.

This year marked a significant change for The Friendly Trust with the retirement of its very long serving Coordinator - Alison Brunt in February 2023 after more than two decades of service to the charity. Under Alison the charity has gone from strength to strength to do what it does now: offering a unique and high-quality service to hundreds of vulnerable people in South Wales, with long-established relationships with many local authorities and other partners. The Board of Trustees wishes to extend its heartfelt thanks and gratitude to Alison for the years of selfless and determined commitment to the charity and its goals, and to wish her a long and happy retirement.

With the Coordinator's retirement, the work of the charity has nonetheless gone on, with one of the main activities facing the Trust being to recruit a new Director and Coordinator to ensure the continuity of service to our 700 services users. It was agreed to engage Goodson Thomas to lead in the recruitment of the new Director. The Trustees worked with the recruitment specialists to draft a new job description and to ensure the person specification would appeal to as wide a range of suitable candidates as possible.

As an interim measure the Trustees worked with Alison, the Senior Trust Officers and the Senior Administrator to ensure ongoing continuity of service. Each of the Senior staff took on additional responsibilities with Stefan Fellows taking on the role of Acting Coordinator for the interim period. Alison also agreed to a phased retirement to oversee a productive handover of responsibilities and to ensure that the process had minimum impact on our Service Users. The trustees wish to thank the Senior staff for their ongoing commitment to the organisation during this period of transition.

Report of the Trustees
for the Year Ended 31 March 2023

Objectives and activities
Objectives and aims
Delivering our charitable objectives

The Friendly Trust is now led by a Director and Coordinator, a new post created following the retirement of the Coordinator in February 2023. Trustees created the new title and post to ensure a competitive field of candidates, and to also ensure a stronger strategic focus by deleting the requirement for the Director to manage a caseload. The Director is supported by a Board of Trustees to deliver the current strategic plan (set out below).

The Friendly Trust delivers its day to day business as usual via the following primary activities:

- Assist vulnerable people who need help to manage their money including debts;
- Assist vulnerable people to claim their rights to social security benefits;
- Assist vulnerable people, older people and carers to safeguard their future by making a lasting power of attorney;
- Advise families how they can plan for the future of their vulnerable relative, v)Advise families on making wills and setting up trust funds to benefit a vulnerable relative,
- Manage trusts which benefit a vulnerable person;
- Act as Deputy appointed by the Court of Protection; and
- Lessen or eradicate vulnerability to financial abuse.

These business-as-usual activities of the charity are delivered by several teams of Trust Officers (led and supervised by Senior Trust Officers with their own complex caseloads) along with administrative support by an 'admin team'. Whilst the Senior and Trust Officers work closely with service users, the administrative team monitor the management of the charity's money and our service users' money which we look after under the authority granted by the Court of Protection, the Department for Work and Pensions, and the person themselves (under Lasting Power of Attorney).

Over the course of the year the Friendly Trust worked with 761 Service Users across the following Local Authorities and funding partners

Cardiff Council
Cardiff and Vales Health board
Monmouthshire council
Newport Council
North Somerset Council
Rhondda-Cynon-Taff
Torfaen Council
Vale of Glamorgan Council

We are extremely grateful to our funding partners for their continued support of The Friendly Trust

Office Team: Trust Officers & Admin.
A high quality service individually tailored to the needs of each service user is delivered by Trust Officers supported by the Admin team.

The Co-ordinator and the Senior Trust Officers supervise the work of the Trust Officers and each carry a small caseload of service users themselves. Staff time is valuable and there is big demand for the service. At the time of writing 105 people were on the waiting list for a service.

The Administration department keep the office running smoothly and support the Trust Officers and the Co-ordinator. They monitor the management of both the charity's money and our service users' money which we look after under the authority granted by the Court of Protection, the Department of Work and Pensions or the person themselves (Lasting Power of Attorney).

Trustees
The board continues to meet on a bi-monthly basis providing direction and support for the staff and appropriate oversight of charity operations and significant decisions.

Objectives and activities
Public benefit
We refer to the guidance contained in the Charity Commission's general guidance on public benefit and in particular, the trustees consider how planned activities will contribute to our aims and objectives. All our charitable activities focus on helping vulnerable people, including disabled people and people who are ill; their families and unpaid carers to achieve financial independence and security.

This can include providing advice or practical help to budget and manage money and planning for the future by making a will or setting up a trust for a vulnerable relative. Unfunded advice is provided to any vulnerable person or unpaid carer calling in person or by telephone during "office duty" times which are weekdays 10am until 12pm and 2pm until 4pm. The definition of free advice includes helping to plan their will and draw up lasting powers of attorney. Monitoring and feedback exercises are carried out to evidence funding we receive for specific projects in addition to the annual satisfaction survey conducted across all projects and core services.

Strategic report
Achievement and performance
Charitable activities
Achievement and performance Impact and Value

Financial review
Principal funding sources
The Charity's net incoming resources amounted to £42,381 (2022 net incoming resources: £330,261), which has increased the available funds from £537,268 to £579,649. No restricted income received in the year.

Investment policy and objectives
The Friendly Trust is a registered charity which helps vulnerable adults to manage their money.
This investment policy applies to the unrestricted reserves and restricted reserves held by The Friendly Trust. It is not applicable to investments made on behalf of our service users in the role of Appointee, Deputy, Attorney, Executor or Trustee.

The Trustees of The Friendly Trust are governed by the Trustee Act 2000 which sets out the general power of investment. This policy is intended to clarify the responsibilities of the trustees and provide additional working guidance in relation to The Friendly Trust's investments; it is not intended to supersede or contradict the Trustee Act 2000.

Investment Objectives

The Friendly Trust seeks to produce the best financial return within a balanced level of risk.

Reserves policy
The economic climate facing the Third Sector over the past few years has continued to place pressure on funding streams and the Trustees acknowledge the need to retain available reserves to facilitate the continuance of at least the current level of service delivery. The Charity provides a range of services which are unfunded and without sufficient reserves, this assistance would be at risk. The Trustees also recognise that should a closure of operations be required due to any external factors, they would want to do so in such a way that those who rely on The Friendly Trust, both those who work for the Charity and those who receive direct services from it, are not and do not feel abandoned.

The policy of the Charity, which is reviewed at regular intervals, is to aim towards securing sufficient reserves to fund six months' worth of operational costs in order to meet these needs. At the balance sheet date, the level of available unrestricted funds amounted to 579,649 (2022: £537,268).

Strategic report

Risk

The unrestricted cash reserves of The Friendly Trust are broadly in line with the minimum deemed necessary to provide working capital for our operations and to deal with any reasonable risks that materialise and may result in an unexpected increase in expenditure or a reduction in income. Capital volatility beyond the Trustee's risk appetite must be avoided and unrestricted reserves should be invested with a balanced approach to risk.

Restricted cash reserves, when held, are required to fund specific projects and liabilities. Capital volatility should be avoided and funds should be invested with a conservative approach to risk.

The Charity's funds should be held in cash or near cash investments denominated in sterling. The exception to this would be in circumstances if foreign assets or assets not held in cash were bequeathed to the charity. In such circumstances The Friendly Trust would take professional advice as soon as possible.

The Friendly Trust will usually make use of banks and building societies covered by the UK'S Financial Services Compensation Scheme. The institution should also be incorporated in the UK. The sum of money placed in such institutions (or related group) should not normally exceed the maximum limit for compensation under the Scheme (currently £85,000). The Friendly Trust will seek professional financial advice before investing in any institution not covered in paragraph above. The institution/investment must be regulated by the Financial Services Authority (FSA) or Prudential Regulation Authority (PRA).

Any investment opportunity which could not be described as being placed with a "bank or building society" (as outlined in paragraph above) must be discussed, agreed and noted at a management committee meeting to which all of the trustees have been invited.

Liquidity Requirements

Approximately £100,000 of available reserves constitutes a working balance and should be held where it can be immediately accessed. The balance of funds may be invested for a period up to 3 years however, any investment for a period exceeding 365 days requires the approval of the Board of Trustees.

Management, Reporting and Monitoring

Day to day decisions on placing and withdrawing deposits are to be made by the Director..

The Board will monitor the cash position and performance and report this to the Board at least annually.

Any of the trustees may request information from the Director at any time regarding cash balances, The Friendly Trust's investments or other budgetary information. The Director will normally respond to such information requests within 7 working days.

Approval and Review

This Investment Policy Statement was prepared to provide a framework for the investment of The Friendly Trust's funds. It will be reviewed on an annual basis, or more frequently if requested by any of the trustees.

It will also be immediately reviewed should cash reserves exceed £500,000.

Appointment, induction and training of new trustees

There is an on-going need to recruit new trustees to strengthen the governance of The Friendly Trust. New trustees are sought through advertising on volunteer recruitment sites. Potential trustees may also be approached following personal recommendation. New trustees are sent the governing documents and introduced to other trustees and staff members. Formal training for trustees on their legal responsibilities is held from time to time.

Strategic report

Future plans

It will be for the new Director to recommend to the Board of Trustees their recommendation for the future direction and goals for The Friendly Trust at the appropriate time. In the meantime, the Trust will continue to operate and deliver against its existing strategic plan.

Our goals over the next two years are:

- Remain focused on providing public benefit;
- Deliver outstanding levels of service to service users; and
- Ensure the good administration and governance of The Friendly Trust

To meet our goals, we will pursue the following strategies:

- **Pursue partnership** : we will look for and develop opportunities for joint working with other agencies;
- Invest in staff: we will attract, retain and invest in a team of skilled and motivated staff and volunteers, focusing on their professional development and reward;
- **Develop trustees** : we will attract, retain and support the development of a skilled and diverse Board of Trustees;
- **Involve service users** : we will ensure we seek out and listen to the voices of our service users and continuously look for ways to invol ve them in the work of The Friendly Trust;
- **Offer free services** : we will continue to provide free services to some service users and expand this free service;
- **Grow only when prudent** : we will grow The Friendly Trust in a wise and prudent manner as suitable opportunities present themselves, bu t never at the risk of compromising our standards of service or our public benefit;
- **Be visible and open** : we will maintain a professional and updated website and ensure current and prospective service users can c ontact staff and get information easily; and
- **Be financially practical** : we will carry on a conversation with our funders each year to make sure we have the reasonable resources we need to deliver the outstanding levels of service we and they expect us to deliver.

Structure, governance and management

Governing document

The Charity is a company, limited by guarantee, registration number 3608297. It is registered with the Charity Commission number 1084265. The charity changed its memorandum and articles in November 2013 to allow itself to become a Trust Corporation.

Organisational structure

The Friendly Trust is governed by a Board of Trustee Directors, all of whom act in a voluntary unpaid capacity, and meet at least every other month to direct the work of The Friendly Trust.

Financial controls

Financial probity is attained by internal monitoring systems and by external audit. Cash handling is recognised as the area most vulnerable to error and fraud and so the systematic checking and monitoring is particularly scrupulous in this area.

Appointment, induction and training of new trustees

There is an on-going need to recruit new trustees to strengthen the governance of The Friendly Trust. New trustees are sought through advertising on volunteer recruitment sites. Potential trustees may also be approached following personal recommendation. New trustees are sent the governing documents and introduced to other trustees and staff members. Formal training for trustees on their legal responsibilities is held from time to time.

Reference and administrative details

Registered Company number

03608297 (England and Wales)

Registered Charity number

1084265

Registered office
Canton House
435-451 Cowbridge Road East
Canton
Cardiff
CF5 1JH

Trustees
Philip Joseph Boshier (Chair)
Norbert Flynn
Janet Claire Burke
David Keith Riman
Jonathan Cordy
Matthew John Wedlake
Susan Lesley Roberts
Jason Tucker
Elinor Kerr- Smith
Owain Phillips

Auditors
Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Bankers
The Co-operative Bank plc
PO Box 101
1 Ballon Street
Manchester
M60 4EP

CAFCASH Limited
PO Box 289
West Malling
Kent
ME19 4TA

Funds held as custodian for others
The Charity manages money on behalf of its services users. This service includes paying expenditure on their behalf, detailed records are kept to ensure that the Charity is able to identify amounts owed to/by each individual. As stated above when service users have substantial funds an Independent Financial Advisor is consulted for recommendations on appropriate investments.

The Public Guardian acknowledged that high returns had been achieved for service users by using this strategy but urged that we continue to exercise caution if investors are elderly in case they do not live long enough to recoup the fee paid to the advisor.

Statement of trustees' responsibilities
The trustees (who are also the directors of The Friendly Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Statement of trustees' responsibilities - continued
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors
The auditors, Haines Watts Wales LLP, Statutory Auditors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on ..... and signed on the board's behalf by:

.....
Philip Joseph Boshier - Trustee

Report of the Independent Auditors to the Members of The Friendly Trust

Opinion

We have audited the financial statements of The Friendly Trust (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 31 March 2023 and of its incoming resources and application of resources, including 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 Auditors' 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.

Emphasis of matter - Prior period adjustment

These financial statements include a prior period adjustment. This is following the identifiction of Core services income received in the year ended 31 March 2023 that related to the year ended 31 March 2022. These financial statements now correctly accrue these into the comparative year. Our opinion is not modified in this respect.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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.

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

Our planning procedures identify the legal and regulatory frameworks applicable to the operations and financial statements of the charity.These are reviewed internally with the audit team including relevant industry experience and expectations as well as externally with the client management. The key laws and regulations we considered in this context were the UK Companies ACT 2006, Charities Act 2011 and relevant tax legislation.

Once identified, we assess the risks of material misstatements in relation to the laws and regulations, irregularities, including fraud and adjust our testing accordingly. Our audit procedures include:

- Discussing with Trustees and management which areas of the business they believe to be more susceptible to fraud, and whether they have any knowledge or suspicion of fraudulent activities
- Obtaining an understanding of the key controls put in place by the charity to address risks identified, assessing the effectiveness of those and discussing how these are maintained and monitored internally
- Assessing the risk of management override through review of cashbook entries
- Discussing with Trustees and management the legal and regulatory obligations of the business and whether they have any knowledge or suspicion of non compliance
- Substantively testing by sample, income and expenditure transactions recorded against individual service users, reconciliations performed by management and the controls over-arching the safe guarding of service users funds.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularities likely involve collusion, forgery, intentional misrepresentation, or the override of internal controls.

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

Report of the Independent Auditors to the Members of
The Friendly Trust

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 auditors' 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.

Clive Edwards (Senior Statutory Auditor)
for and on behalf of Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Date: .....

The Friendly Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Income and endowments from					
Donations and legacies	2	12,041	-	12,041	219,331
Charitable activities	4				
Core services		710,639	-	710,639	687,800
Investment income	3	3,010	-	3,010	798
Total		725,690	-	725,690	907,929
Expenditure on					
Charitable activities	5				
Core services		670,245	-	670,245	577,668
Net gains/(losses) on investments		(13,064)	-	(13,064)	-
NET INCOME		42,381	-	42,381	330,261
Reconciliation of funds					
Total funds brought forward		537,268	-	537,268	207,007
Total funds carried forward		579,649	-	579,649	537,268

The notes form part of these financial statements

Statement of Financial Position
31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Current assets					
Debtors	11	171,027	-	171,027	141,216
Investments	12	436,809	-	436,809	388,863
Cash at bank and in hand		178,125	-	178,125	206,414
		785,961	-	785,961	736,493
Creditors					
Amounts falling due within one year	13	(171,312)	-	(171,312)	(164,225)
Net current assets		614,649	-	614,649	572,268
Total assets less current liabilities		614,649	-	614,649	572,268
Provisions for liabilities	14	(35,000)	-	(35,000)	(35,000)
NET ASSETS		579,649	-	579,649	537,268
Funds	15				
Unrestricted funds				579,649	537,268
Total funds				579,649	537,268

The financial statements were approved by the Board of Trustees and authorised for issue on ..... and were signed on its behalf by:

.....
Philip Joseph Boshier - Trustee

The notes form part of these financial statements

The Friendly Trust

Statement of Cash Flows
for the Year Ended 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	16,647	233,531
Net cash provided by operating activities		16,647	233,531
Cash flows from investing activities			
Investments		(47,946)	(177,282)
Interest received		3,010	798
Net cash used in investing activities		(44,936)	(176,484)
Change in cash and cash equivalents in the reporting period		(28,289)	57,047
Cash and cash equivalents at the beginning of the reporting period		206,414	149,367
Cash and cash equivalents at the end of the reporting period		178,125	206,414

The notes form part of these financial statements

Notes to the Statement of Cash Flows for the Year Ended 31 March 2023

1. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the reporting period (as per the Statement of Financial Activities)	42,381	330,261
Adjustments for:		
Interest received	(3,010)	(798)
Increase in debtors	(29,811)	(81,651)
Increase/(decrease) in creditors	7,087	(14,281)
Net cash provided by operations	16,647	233,531

2. Analysis of changes in net funds

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	206,414	(28,289)	178,125
	206,414	(28,289)	178,125
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	388,863	47,946	436,809
	388,863	47,946	436,809
Total	595,277	19,657	614,934

The notes form part of these financial statements

1. Accounting policies

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

Income
Service user fees, donations and similar incoming resources are recognised when they are received. Outstanding legacies are regularly reviewed and recognised when the incoming resource can be measured with sufficient reliability. Donations in kind are included as income at a fair value. Donated time provided by volunteers is not included.

Investment income is recognised on a receivable basis.

Grants are included as an incoming resource when the charity is entitled to the resources, it is virtually certain that the incoming resource will be received and the monetary value can be measured with sufficient reliability. Revenue grants are credited to the income and expenditure account in the year to which they relate. Where grants have been received but relate to a future accounting period, that part of the grant received is deferred to the appropriate period.

Expenditure
Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

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

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

Taxation
The company is a registered charity and all of its income is primary purpose it is, therefore, exempt from taxation.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Operating leases
Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Provisions
Where liabilities exist of uncertain timing and amount, the Charity provides for its best estimate of any eventual costs to be incurred.

continued...

1. Accounting policies - continued

Debtors
Debtors are recorded at the value of their recoverable amount.

Investments
Investment balances reflect amounts held on deposit to achieve an improved rate of return in line with the Charities treasury management policy.

Creditors
Creditors are recorded at the value of the identified liability.

2. Donations and legacies

	2023	2022
	£	£
Legacies, bequests and donations	12,041	219,331

3. Investment income

	2023	2022
	£	£
Deposit account interest	3,010	798

4. Income from charitable activities

	Activity	2023	2022
		£	£
Cardiff County Council	Core services	331,737	362,500
Torfaen County Borough Council	Core services	66,280	63,732
Vale of Glamorgan Council	Core services	77,207	62,563
Monmouthshire County Council	Core services	2,025	1,522
Fees re service users	Core services	138,320	118,943
Newport Borough Council	Core services	1,260	1,188
Rhondda Cynon Taf Council	Core services	93,810	74,952
C3SC		-	2,400
		710,639	687,800

continued...

5. Charitable activities costs

	Direct Costs	Support costs (see note 6)	Totals
	£	£	£
Core services			
	570,813	99,432	670,245

6. Support costs

	Finance	Governance costs	Totals
	£	£	£
Core services			
	94,633	4,799	99,432

Support costs, included in the above, are as follows:

	2023 Core services	2022 Total activities
	£	£
Wages	86,116	120,567
Social security	8,517	10,099
Auditors' remuneration	1,800	1,700
Auditors' remuneration for non audit work	2,999	2,650
	99,432	135,016

7. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration	1,800	1,700
Auditors' remuneration for non audit work	2,999	2,650

8. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

continued...

8. Trustees' remuneration and benefits - continued

Trustees' expenses

During the year trustees were reimbursed for travel expenses of £95 (2022: £43).

9. Staff costs

	2023	2022
	£	£
Wages and salaries	470,399	417,071
Social security costs	50,274	36,888
Other pension costs	44,604	42,983
	565,277	496,942

The average monthly number of employees during the year was as follows:

	2023	2022
Charitable activities	14	14
Support and administration	7	7
	21	21

No employees received emoluments in excess of £60,000.

10. Comparatives for the statement of financial activities

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Income and endowments from			
Donations and legacies	219,331	-	219,331
Charitable activities			
Core services	687,800	-	687,800
Investment income	798	-	798
Total	907,929	-	907,929
Expenditure on			
Charitable activities			
Core services	577,668	-	577,668
NET INCOME	330,261	-	330,261
Reconciliation of funds			
Total funds brought forward	207,007	-	207,007
Total funds carried forward	537,268	-	537,268

continued...

11. Debtors: amounts falling due within one year

	2023	2022
	£	£
Grant debtors	163,475	123,664
Other debtors	1,122	11,122
Prepayments and accrued income	6,430	6,430
	171,027	141,216

12. Current asset investments

	2023	2022
	£	£
Cash held on deposit	436,809	388,863

13. Creditors: amounts falling due within one year

	2023	2022
	£	£
Social security and other taxes	10,853	9,814
Amounts owed to service users	154,175	148,561
Accruals and deferred income	6,284	5,850
	171,312	164,225

14. Provisions for liabilities

	2023	2022
	£	£
Provisions	35,000	35,000

Balance brought forward	35,000	25,000
Amounts provided in the year		10,000
Amounts released in the year	-	-
Balance carried forward	35,000	35,000

This covers the Trust's legal commitment should they decide to leave their current premises.

15. Movement in funds

	At 1.4.22	Net movement in funds	At 31.3.23
	£	£	£
Unrestricted funds			
General fund	537,268	42,381	579,649
TOTAL FUNDS	537,268	42,381	579,649

continued...

15. Movement in funds - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	725,690	(670,245)	(13,064)	42,381
TOTAL FUNDS	725,690	(670,245)	(13,064)	42,381

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	207,007	330,261	537,268
TOTAL FUNDS	207,007	330,261	537,268

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	907,929	(577,668)	330,261
TOTAL FUNDS	907,929	(577,668)	330,261

Unrestricted funds
Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

16. Employee benefit obligations

The charity operates a defined contribution scheme. The pension costs charge for the year represents contributions payable by the charity to the scheme and amounted to £44,604 (2022: £42,983).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

continued...

17. Related party disclosures

There were no related party transactions for the year ended 31 March 2023.

18. Managed funds

As at 31 March 2023 the Friendly Trust actively managed funds totalling £12,081,306 (2022: £9,793,157) on behalf of its service users.

19. Members' liability

The charity is a private company, incorporated in England and Wales, limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

Detailed Statement of Financial Activities for the Year Ended 31 March 2023

	2023 £	2022 £
Income and endowments		
Donations and legacies		
Legacies, bequests and donations	12,041	219,331
Investment income		
Deposit account interest	3,010	798
Charitable activities		
Cardiff County Council	331,737	362,500
Torfaen County Borough Council	66,280	63,732
Vale of Glamorgan Council	77,207	62,563
Monmouthshire County Council	2,025	1,522
Fees re service users	138,320	118,943
Newport Borough Council	1,260	1,188
Rhondda Cynon Taf Council	93,810	74,952
C3SC	-	2,400
	710,639	687,800
Total incoming resources	725,690	907,929
Expenditure		
Charitable activities		
Wages	384,283	296,504
Social security	41,757	26,789
Pensions	44,604	42,983
Volunteer expenses	66	-
Rent, rates and service charges	30,276	30,637
Insurance	17,164	14,299
Equipment costs not capitalised	4,468	2,288
Office costs	9,516	1,988
Travel and subsistence	6,636	4,655
Legal and professional fees	548	-
Utilities	3,120	2,727
Telephone	7,737	7,757
Recruitment & vetting costs	9,975	2,275
Conference & Training	96	1,015
Books & memberships	39	72
Postage	1,852	1,752
IT services & software	5,711	4,750
Bank charges	93	96
Printing & Stationary	2,872	2,065
	570,813	442,652
Support costs		
Finance		
Wages	86,116	120,567
Carried forward	86,116	120,567

Detailed Statement of Financial Activities for the Year Ended 31 March 2023

	2023 £	2022 £
Finance		
Brought forward	86,116	120,567
Social security	8,517	10,099
	94,633	130,666
Governance costs		
Auditors' remuneration	1,800	1,700
Auditors' remuneration for non audit work	2,999	2,650
	4,799	4,350
Total resources expended	670,245	577,668
Net income before gains and losses	55,445	330,261
Realised recognised gains and losses		
Realised gains/losses on current asset investments	(13,064)	-
Net income	42,381	330,261

THE FRIENDLY TRUST

England & Wales - Charity number 1084265

Accounts

REGISTERED COMPANY NUMBER: 03608297
REGISTERED CHARITY NUMBER: 1084265

Report of the Trustees and

Audited Financial Statements for the Year Ended 31st March 2022

for

The Friendly Trust

The Friendly Trust

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The Friendly Trust

Report of the Trustees
for the Year Ended 31st March 2022

Introduction

The Friendly Trust helps vulnerable people with their money. We work in partnership with people who have disabilities, disabling illnesses, their families and carers by providing practical support and advice to enable them to manage their money more effectively and to end the distress and isolation caused by poverty, abuse and debt.

2021-2022 was a year of change and expectation! There was a great longing on the part of service users and staff for COVID and all the restrictions to be over and business as usual to resume. The reality of course was that we had to continue to be careful and so were only able to make limited visits to our most vulnerable service users. Some service users did come to see us in the office by arrangement but we were definitely not "back to normal".

Trust officers continued to keep in touch with service users in various ways: telephone, email or via other social media.

Going forward Trust Officers are now working in a combination of home and office working according to the needs of the service.

Team meetings, Trustee meetings and many meetings with other professionals and training courses are continuing to take place on screen sometimes with some attendees taking part together in the office.

Service user stories and comments from 2021-2022:

Mrs B is a 96 year old lady who lives with her son who is autistic.

Mrs B says "I have fought all my life - since I was a child in WW2 and at the age of 14 was extinguishing incendiaries and carrying out salvage work as the result of bombs dropped on us in Cardiff by the Nazis. When I was 4 or 5 months pregnant my husband left unexpectedly. Turned out it was nothing to do with me. He never supported us and we did not hear about him until 20 years later when my son received a letter informing him of his father's death in Manchester.
I always worked and over the years managed to save to buy our home. When my son was a teenager there was such a hoo-ha in certain newspapers about lone mothers that I felt so guilty. When I apologised to my son for any mistakes I may have made, he laughed, gave me a big hug and said, 'But I love having a wacky mother!'
Now, at the age of 96 and we are both members of the [Friendly] TRUST and now feel my son and I are safe."

DJ is a young man with mild learning difficulties that lives alone and has a limited support, arranged by the Social Services.

DJ's on-going support was largely curtailed when he moved from Cardiff to the Vale of Glamorgan in 2021. Temporary support from the local authority was to be provided to help DJ apply for housing benefit for his new flat. Unfortunately benefits communications were sent directly to DJ who was not able to ask for help in a timely manner. Things became very complicated as DJ had to claim Universal Credit (UC) and his housing benefit application was initially rejected. DJ did not receive sufficient appropriate support as promised.

The Friendly Trust became appointee in December 2021. His UC claim is now in place but his claim for housing costs has still not been resolved as, for some addresses where social services are involved, housing benefit is claimable, even when there is a UC claim in place. There have been months of communication with housing benefit and social services to try to resolve this. In the meantime, DJ has received a court summons as he has been unable to pay all his housing costs and a formal complaint to the local authority is being prepared. Fortunately the summons has been set aside.

Ms GI - Referred herself to FT in in early 2018 and is self-funding - She is in her forties and has two teenage children. Although she holds down a full-time job, because of avoidance issues, she was unable to deal with her finances and never opened her post. This led to the situation that she was about to lose her house for mortgage arrears. She had also never paid water rates since she moved in several years ago and her bank account was overdrawn.

GI appointed The Friendly Trust as her Lasting Power of Attorney (LPA) for her property and affairs. The Friendly Trust went to court to fight the eviction notice on the house. We sorted out a payment plan for her arrears and a budget, giving her a weekly allowance to live on.

Her house is now safe and all her bills are paid. GI still avoids opening her post and doesn't contact us to sort out things like parking fines or paying the milkman, until a very small bill becomes a much larger debt. For this reason, with her consent, we have recently had her mail redirected to The Friendly Trust office.

SW is a young man with moderate learning disabilities.

Due to unhygienic conditions and general damage and neglect, SW needed to have his flat fully refurnished and carpeted. Although SW had been referred by social services, his family also asked for our help. With some careful financial management, we were able to assist. We liaised with SW and his family to provide everything necessary to turn his flat into a desirable home again. SW took responsibility for some of the necessary actions such as receiving new items and looking after his newly refurbished flat.

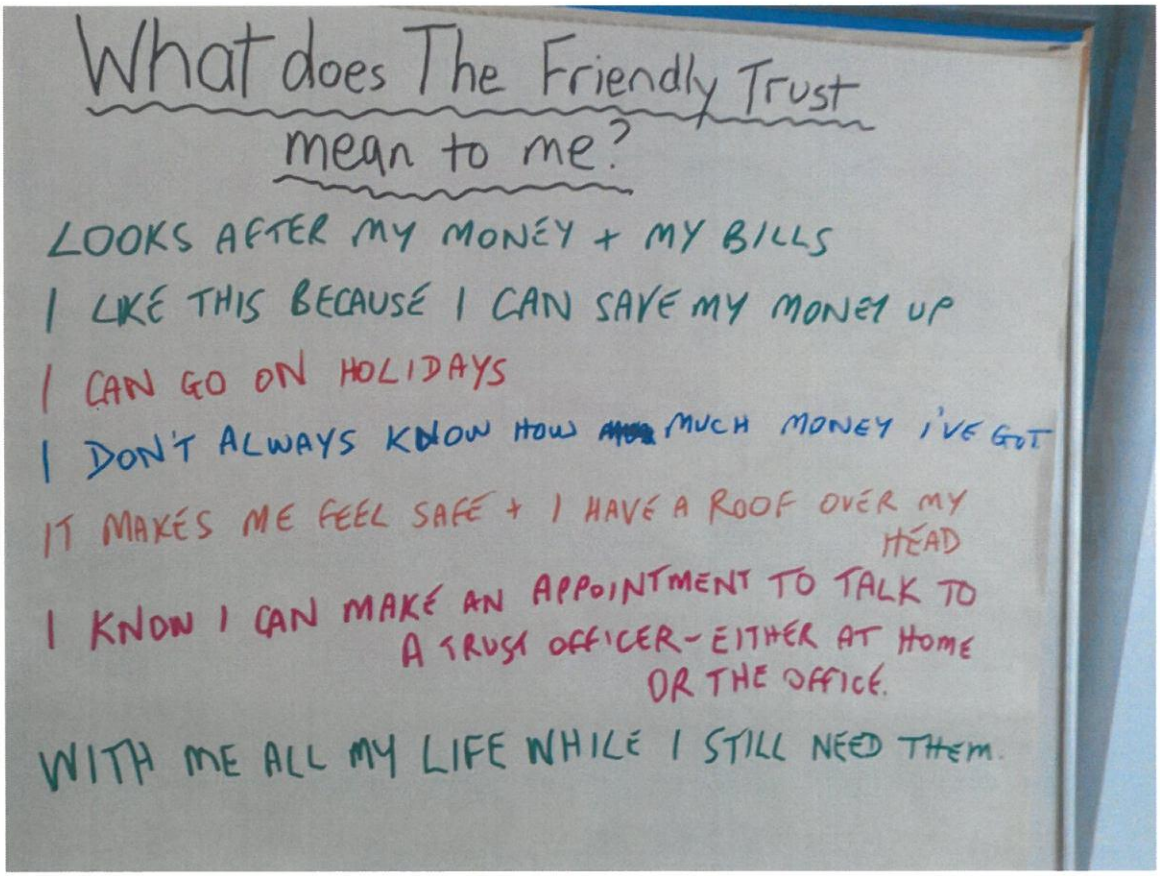
And moving forward to 2022 - 2023 and beyond ....

Engagement Project

We wanted to restart service users' participation and volunteering, which had come to a halt during the pandemic. We know from previous feedback that service users have missed the opportunity to stay in contact and want to resume activities. In February, we were successful in our application to the Hau Third Sector Fund for capital expenses to become engagement-ready and were offered £2,400.00. The funding was used to purchase electronic and security equipment so to be in a position to start welcoming people back into a peer group. The Trustees have also agreed to top-up the initial funding with £2,500.00 from reserves, which will be used to make the project sustainable in the long term.

We started to make contact with participants that used to attend the previous service and/or volunteer in the office, as well as contacting those signposted by their Trust Officer and/or have expressed an interest (currently 16 prospective participants between Cardiff and Barry). Our target is to engage 30 participants in a range of voluntary activities during the 2022-2023 financial year.

The project will benefit the participants in a variety of ways. Workshops will be participants-led and will focus on learning both soft and practical skills. Participants will also be involved in the planning and delivery of talks and small events. This will help them to build confidence, learn new life-skills and create meaningful connections with the organisation and the wider community. We want to be as user-led as possible; participants will be able to express their view on the service they receive and affect strategic and policy development.

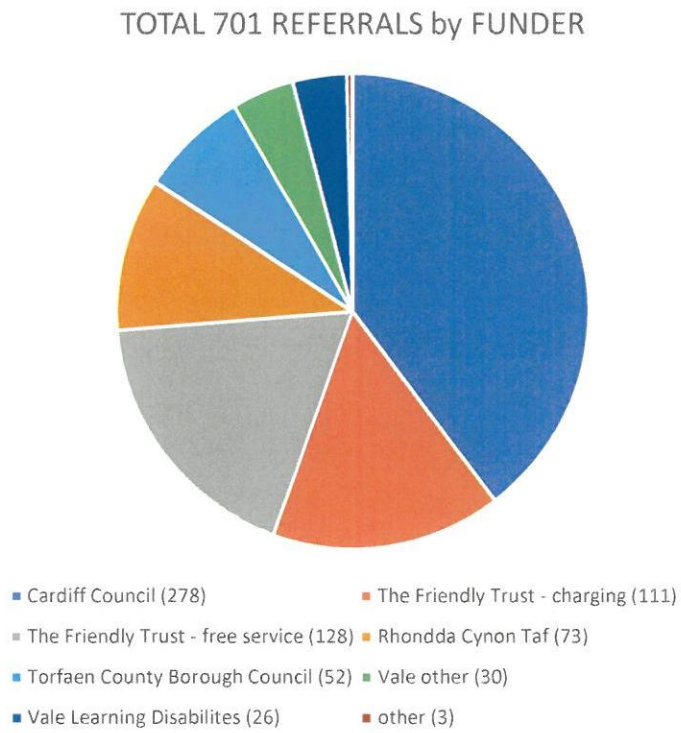


Overall we provided a service to 701 people. Distribution by funder and vulnerability is illustrated in the two charts below.

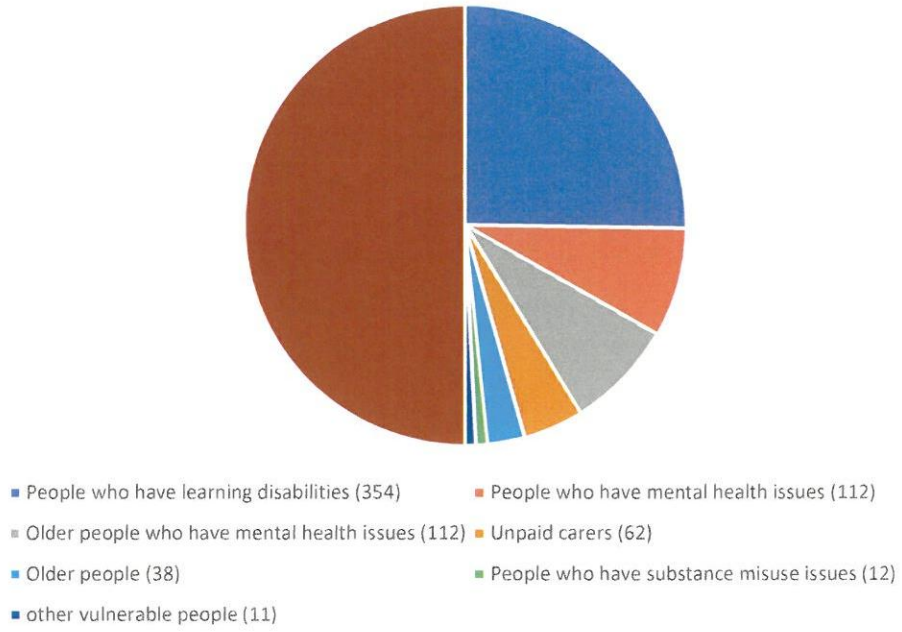
As well as the funders listed in the first pie chart, we also received donations from well wishers and former service users. The largest donations were received from the following estates:
Rhona Flynn £5,000
Robert le Surf £10,000
Leonard Upcott £200,000 approximately

Each gift was left as a bequest by the donors, in their wills, in gratitude for advice or support received and because of the donors' wish to strengthen and advance the work of the Friendly Trust.

The level of donations has greatly increased our income for the year prompting the trustees to consider ways of expanding the work of the Friendly Trust and to review the reserves policy.



TOTAL 701 REFERRALS BY VULNERABILITY



Objectives and activities
What the Friendly Trust Does

Our Vision

To ensure that through high quality advice and practical help, people in Wales who are vulnerable through impairment, mental ill-health or age can be helped to achieve financial independence and security.

Our Strategic Aim
To provide advice and assistance to vulnerable people and their carers in the management of current assets and future inherited resources.

Our Core Values
Our plans and actions are based on the belief that people who are vulnerable (through impairment, mental ill-health or age)

i) Have the same value and status as everyone else
ii) Have a right to make important decisions for themselves or with support if they need it.
iii) Have a right to support from their communities and families, and any other support which will help them achieve their wishes and goals.

Our Activities
To support this aim, we do the following:

i) Assist vulnerable people who need help to manage their money including debts;
ii) Assist vulnerable people to claim their rights to social security benefits;
iii) Assist vulnerable people, older people and carers to safeguard their future by making a lasting power of attorney;
iv) Advise families how they can plan for the future of their vulnerable relative;
v) Advise families on making wills and setting up trust funds to benefit a vulnerable relative;
vi) Manage trusts which benefit a vulnerable person;
vii) Act as Deputy appointed by the Court of Protection;
viii) Lessen or eradicate vulnerability to financial abuse.

Report of the Trustees for the Year Ended 31st March 2022

Public benefit
We refer to the guidance contained in the Charity Commission's general guidance on public benefit and in particular, the trustees consider how planned activities will contribute to our aims and objectives.

All our charitable activities focus on helping vulnerable people, including disabled people and people who are ill; their families and unpaid carers - to achieve financial independence and security. This can include providing advice or practical help to budget and manage money and planning for the future by making a will or setting up a trust for a vulnerable relative.

Unfunded advice is provided to any vulnerable person or unpaid carer calling in person or by telephone during "office duty" times which are weekdays 10am until 12pm and 2pm until 4pm. The definition of free advice includes helping to plan their will and draw up lasting powers of attorney.

Monitoring and feedback exercises are carried out to evidence funding we receive for specific projects in addition to the annual satisfaction survey conducted across all projects and core services.

Strategic report
Charitable activities
Achievement and performance Impact and Value

The Friendly Trust worked with 701 individuals assigning each of them a Trust Officer to support them with the management of their day to day finances and budgeting or to help them plan for the future, for example, by making a Lasting Power of Attorney.

About half of our service users had learning disabilities but we helped people from many different backgrounds; facing many various life challenges and experiencing difficulty managing their everyday finances.

The categories in the chart on page 4 are a broad description of how our service users, or their referrer, would primarily describe their vulnerability. In reality we are all complex and we all experience many elements which may make us vulnerable with our money or other matters. The Friendly Trust endeavours to help our vulnerable service users deal with money and property matters.

Office Team: Trust Officers & Admin
A high quality service individually tailored to the needs of each service user is delivered by Trust Officers supported by the Admin team. The Co-ordinator and the Senior Trust Officers supervise their work and each carry a small caseload of service users themselves. Staff time is valuable and there is big demand for the service. At the time of writing 114 people were on the waiting list for a service.

Admin perform many tasks to keep the office running smoothly and to support the Trust Officers and the Co-ordinator. One of their very important roles is monitoring the management of the charity's money and our service users' money which we look after under the authority granted by the Court of Protection, the Department of Work and Pensions or the person themselves (Lasting Power of Attorney).

Trustees
The board continues to meet on a bi-monthly basis. There were no changes in the board composition during the year.

Financial review
The Charity's net incoming resources amounted to £257,761 (2021 net outgoing resources: £17,862), which has increased the available funds from £207,007 to £464,768. No restricted income was received in the year.

Financial review continued

Investment policy and objectives

The Friendly Trust is a registered charity which helps vulnerable adults to manage their money.
This investment policy applies to the unrestricted reserves and restricted reserves held by The Friendly Trust which together amount to approximately £460,000. It is not applicable to investments made on behalf of our service users in the role of Appointee, Deputy, Attorney, Executor or Trustee.
The Trustees of The Friendly Trust are governed by the Trustee Act 2000 which sets out the general power of investment. This policy is intended to clarify the responsibilities of the trustees and provide additional working guidance in relation to The Friendly Trust's investments; it is not intended to supersede or contradict the Trustee Act 2000.

Investment Objectives

The Friendly Trust seeks to produce the best financial return within an acceptable level of risk. Due to the generous level of donations, The Friendly Trust is diversifying our investment policy as we hold a safe amount of reserves.

Risk

Cash reserves have increased and exceed the minimum deemed necessary to provide working capital for our operations and to deal with any risks that materialise and may result in an unexpected increase in expenditure or a reduction in income.
Assets not held in cash were bequeathed to the charity and so professional advice has been sought.
Usually The Friendly Trust will only make use of banks and building societies covered by the UK'S Financial Services Compensation Scheme. The institution should also be incorporated in the UK. The sum of money placed in such institutions (or related group) should not normally exceed the maximum limit for compensation under the Scheme (currently £85,000).
The Friendly Trust has sought professional financial advice before investing in any institution not covered in paragraph above.
An investment opportunity which could not be described as being placed with a "bank or building society" (as outlined in paragraph above) has been discussed, agreed and noted at management committee meetings to which all of the trustees have been invited.

Liquidity Requirements

Approximately £50,000 of available reserves constitutes a working balance and are held where it can be immediately accessed. All reserves are available within weeks.

Management, Reporting and Monitoring

Day to day decisions on placing and withdrawing deposits are to be made by the co-ordinator.
The Finance Committee will monitor the cash position and performance and report this to the Management Committee at least annually.
Any of the trustees may request information from the co-ordinator at any time regarding cash balances, The Friendly Trust's investments or other budgetary information. The co-ordinator will normally respond to such information requests within 7 days.

Approval and Review

This Investment Policy Statement was prepared to provide a framework for the investment of The Friendly Trust's funds.
It will be reviewed on an annual basis, or more frequently if requested by any of the trustees.
It will be reviewed again should cash reserves exceed £500,000.

Reserves policy

The economic climate facing the Third Sector over the past few years has continued to place pressure on funding streams and the Trustees acknowledge the need to retain available reserves to facilitate the continuance of at least the current level of service delivery. The Charity provides a range of services which are unfunded and without sufficient reserves, this assistance would be at risk. The Trustees also recognise that should a closure of operations be required due to any external factors, they would want to do so in such a way that those who rely on The Friendly Trust, both those who work for the Charity and those who receive direct services from it, are not and do not feel abandoned.

The policy of the Charity, which is reviewed at regular intervals, is to aim towards securing sufficient reserves to fund six months' worth of operational costs in order to meet these needs. At the balance sheet date, the level of available unrestricted funds amounted to £ 464,768 (2021: £ 207,007).

Using the budgeted position for the year to 31 March 2023, the reserves held now will be sufficient to not only meet the operating costs but to exceed them. This is the first time the Charity has been in a position where it has surplus reserves and it has been a point of discussion at most meetings. Currently we are looking to recruit additional Trust Officers to support/expand our core services to allow us to reach more users. Staff retention is something which is key and we are looking at ways that will allow our staff to feel an integral part of what we are trying to achieve, so that the level of service they provide may be sustained. We are also reviewing our impact on the communities we are involved in and are in the process of rolling out an engagement project. While some of the final costs of these initiatives is not known with accuracy at this time, it is envisaged that our surplus should substantially meet them.

Strategic report

Future plans

Ambition and long term strategies

Our goals over the next three years are:

- Remain focused on providing public benefit
- Deliver outstanding levels of service to service users
- Ensure the good administration and governance of The Friendly Trust

To meet our goals, we will pursue the following strategies:

- Pursue partnership: we will look for and develop opportunities for joint working with other agencies
- Invest in staff: we will attract, retain and invest in a team of skilled and motivated staff and volunteers, focusing on their professional development and reward
- Develop trustees: we will attract, retain and support the development of a skilled and diverse Board of Trustees
- Involve service users: we will ensure we seek out and listen to the voices of our service users and continuously look for ways to involve them in the work of The Friendly Trust
- Offer free services: we will continue to provide free services to some service users and expand this free service
- Grow only when prudent: we will grow The Friendly Trust in a wise and prudent manner as suitable opportunities present themselves, but never at the risk of compromising our standards of service or our public benefit
- Be visible and open: we will maintain a professional and updated website and ensure current and prospective service users can contact staff and get information easily
- Be financially practical: we will carry on a conversation with our funders each year to make sure we have the reasonable resources we need to deliver the outstanding levels of service we and they expect us to deliver

Structure, governance and management

Governing document

The Charity is a company, limited by guarantee, registration number 3608297. It is registered with the Charity Commission number 1084265. The charity changed its memorandum and articles in November 2013 to allow itself to become a Trust Corporation.

Organisational structure

The Friendly Trust is governed by a Board of Trustee Directors, all of whom act in a voluntary unpaid capacity, and meet at least every other month to direct the work of The Friendly Trust.

Financial controls

Financial probity is attained by internal monitoring systems and by external audit. Cash handling is recognised as the area most vulnerable to error and fraud and so the systematic checking and monitoring is particularly scrupulous in this area.

Appointment, induction and training of new trustees

The Board is stable with a trustee membership of 10 however we remain receptive to suitable applications to be a trustee or nominations to the management committee which would enhance the diversity and service user involvement in the governance of The Friendly Trust. New trustees are sought through advertising on volunteer recruitment sites. Potential trustees may also be approached following personal recommendation. New trustees are sent the governing documents and introduced to other trustees and staff members. Formal training for trustees on their legal responsibilities is held from time to time.

Reference and administrative details

Registered Company number

03608297

Registered Charity number

1084265

Registered office

Canton House
435-451 Cowbridge Road East
Canton
Cardiff
CF5 1JH

Report of the Trustees
for the Year Ended 31st March 2022

Trustees
Norbert Flynn
Janet Claire Burke
Philip Joseph Boshier Chair
David Keith Riman
Jonathan Cordy
Matthew John Wedlake
Susan Lesley Roberts
Jason Tucker
Elinor Kerr-Smith
Owain Phillips

Auditors
Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Bankers
The Co-operative Bank plc
PO Box 101
1 Ballon Street
Manchester
M60 4EP

CAFCASH Limited
PO Box 289
West Malling
Kent
ME19 4TA

Funds held as custodian for others
The Charity manages money on behalf of its services users. This service includes paying expenditure on their behalf, detailed records are kept to ensure that the Charity is able to identify amounts owed to/by each individual. As stated above when service users have substantial funds an Independent Financial Advisor is consulted for recommendations on appropriate investments.

The Public Guardian acknowledged that high returns had been achieved for service users by using this strategy but urged that we continue to exercise caution if investors are elderly in case they do not live long enough to recoup the fee paid to the advisor.

Statement of trustees' responsibilities
The trustees (who are also the directors of The Friendly Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors
The auditors, Haines Watts Wales LLP, Statutory Auditors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on ....18/10/2022.... and signed on the board's behalf by:

.....

Philip Joseph Boshier - Trustee

Report of the Independent Auditors to the Members of The Friendly Trust

Opinion

We have audited the financial statements of The Friendly Trust (the 'charitable company') for the year ended 31st March 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 31st March 2022 and of its incoming resources and application of resources, including 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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.

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

Our planning procedures identify the legal and regulatory frameworks applicable to the operations and financial statements of the charity. These are reviewed internally with the audit team including relevant industry experience and expectations as well as externally with the client management. The key laws and regulations we considered in this context were the UK Companies ACT 2006, Charities Act 2011 and relevant tax legislation.

Once identified, we assess the risks of material misstatements in relation to the laws and regulations, irregularities, including fraud and adjust our testing accordingly. Our audit procedures include:

- Discussing with Trustees and management which areas of the business they believe to be more susceptible to fraud, and whether they have any knowledge or suspicion of fraudulent activities
- Obtaining an understanding of the key controls put in place by the charity to address risks identified, assessing the effectiveness of those and discussing how these are maintained and monitored internally
- Assessing the risk of management override and review and testing of journal entries made into the accounting system
- Discussing with Trustees and management the legal and regulatory obligations of the business and whether they have any knowledge or suspicion of non compliance
- Substantively testing by sample, income and expenditure transactions recorded against individual service users, reconciliations performed by management and the controls over-arching the safe guarding of service users funds.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularities likely involve collusion, forgery, intentional misrepresentation, or the override of internal controls.

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

Report of the Independent Auditors to the Members of The Friendly Trust

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 auditors' 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.

Clive Edwards (Senior Statutory Auditor)
for and on behalf of Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Date: 1 November 2022

The Friendly Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st March 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Income and endowments from					
Donations and legacies	2	219,331	-	219,331	1,028
Charitable activities					
Core Services	4	615,300	-	615,300	515,236
Investment income	3	798	-	798	582
Total		835,429	-	835,429	516,846
Expenditure on Charitable activities					
Core services	5	577,668	-	577,668	534,708
NET INCOME/(EXPENDITURE)		257,761	-	257,761	(17,862)
Reconciliation of funds					
Total funds brought forward		207,007	-	207,007	224,869
Total funds carried forward		464,768	-	464,768	207,007

The notes form part of these financial statements

Statement of Financial Position
31st March 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Current assets					
Debtors	11	68,716	-	68,716	59,565
Investments	12	388,863	-	388,863	211,581
Cash at bank and in hand		206,414	-	206,414	149,367
		663,993	-	663,993	420,513
Creditors					
Amounts falling due within one year	13	(164,225)	-	(164,225)	(178,506)
Net current assets		499,768	-	499,768	242,007
Total assets less current liabilities		499,768	-	499,768	242,007
Provisions for liabilities	15	(35,000)	-	(35,000)	(35,000)
NET ASSETS		464,768	-	464,768	207,007
Funds					
Unrestricted funds	16			464,768	207,007
Total funds				464,768	207,007

The financial statements were approved by the Board of Trustees and authorised for issue on 18/10/22 and were signed on its behalf by:

.....

Philip Joseph Boshier - Trustee

E Kerr-Smith

Elinor Kerr-Smith - Trustee

The notes form part of these financial statements

The Friendly Trust

Statement of Cash Flows
for the Year Ended 31st March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	233,531	(104,269)
Net cash provided by/(used in) operating activities		233,531	(104,269)
Cash flows from investing activities			
Investments		(177,282)	34,468
Interest received		798	582
Net cash (used in)/provided by investing activities		(176,484)	35,050
Change in cash and cash equivalents in the reporting period		57,047	(69,219)
Cash and cash equivalents at the beginning of the reporting period		149,367	218,586
Cash and cash equivalents at the end of the reporting period		206,414	149,367

The notes form part of these financial statements

Notes to the Statement of Cash Flows for the Year Ended 31st March 2022

1. **Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2022 £	2021 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	257,761	(17,862)
Adjustments for:		
Interest received	(798)	(582)
(Increase)/decrease in debtors	(9,151)	8,630
Decrease in creditors	(14,281)	(94,455)
Net cash provided by/(used in) operations	233,531	(104,269)

2. **Analysis of changes in net funds**

	At 1.4.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank and in hand	149,367	57,047	206,414
	149,367	57,047	206,414
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	211,581	177,282	388,863
	211,581	177,282	388,863
Total	360,948	234,329	595,277

The notes form part of these financial statements

1. Accounting policies

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

Income
Service user fees, donations and similar incoming resources are recognised when they are received. Outstanding legacies are regularly reviewed and recognised when the incoming resource can be measured with sufficient reliability. Donations in kind are included as income at a fair value. Donated time provided by volunteers is not included.

Investment income is recognised on a receivable basis.

Grants are included as an incoming resource when the charity is entitled to the resources, it is virtually certain that the incoming resource will be received and the monetary value can be measured with sufficient reliability. Revenue grants are credited to the income and expenditure account in the year to which they relate. Where grants have been received but relate to a future accounting period, that part of the grant received is deferred to the appropriate period.

Expenditure
Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

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

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

Taxation
The company is a registered charity and all of its income is primary purpose it is, therefore, exempt from taxation.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Operating leases
Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Provisions
Where liabilities exist of uncertain timing and amount, the Charity provides for its best estimate of any eventual costs to be incurred.

Debtors
Debtors are recorded at the value of their recoverable amount.

continued...

1. **Accounting policies - continued**

Investments
Investment balances reflect amounts held on deposit to achieve an improved rate of return in line with the Charities treasury management policy.

Creditors
Creditors are recorded at the value of the identified liability.

2. **Donations and legacies**

	2022 £	2021 £
Legacies, bequests and donations	219,331	1,028

3. **Investment income**

	2022 £	2021 £
Deposit account interest	798	582

4. **Income from charitable activities**

		2022 Activity £	2021 £
Cardiff County Council	Core services	290,000	250,774
Torfaen County Borough Council	Core services	63,732	63,732
Vale of Glamorgan Council	Core services	62,563	46,751
Monmouthshire County Council	Core services	1,522	1,352
Fees re service users	Core services	118,943	93,634
Newport Borough Council	Core services	1,188	1,152
Rhondda Cynon Taf Council	Core services	74,952	52,128
GVS	Core services	-	5,713
C3SC	Core services	2,400	-
		615,300	515,236

continued...

5. Charitable activities costs

	Direct Costs	Support costs (see note 6)	Totals
	£	£	£
Core services	442,652	135,016	577,668

6. Support costs

	Finance	Governance costs	Totals
	£	£	£
Core services	130,666	4,350	135,016

Support costs, included in the above, are as follows:

	2022 Core services	2021 Core services
	£	£
Exceptional items	-	10,000
Wages	120,567	89,159
Social security	10,099	6,831
Auditors' remuneration	1,700	1,555
Auditors' remuneration for non audit work	2,650	2,400
	135,016	109,945

7. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration	1,700	1,555
Auditors' remuneration for non audit work	2,650	2,400
Hire of other assets - operating leases	-	7,000

8. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31st March 2022 nor for the year ended 31st March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2022 nor for the year ended 31st March 2021.

continued...

9. Staff costs

	2022	2021
	£	£
Wages and salaries	417,071	374,541
Social security costs	36,888	33,131
Other pension costs	42,983	40,555
	496,942	448,227

The average monthly number of employees during the year was as follows:

	2022	2021
Charitable activities	14	15
Support and administration	7	4
	21	19

No employees received emoluments in excess of £60,000.

10. Comparatives for the statement of financial activities

	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments from			
Donations and legacies	1,028	-	1,028
Charitable activities			
Core services	515,236	-	515,236
Investment income	582	-	582
Total	516,846	-	516,846
Expenditure on			
Charitable activities			
Core services	534,708	-	534,708
NET INCOME/(EXPENDITURE)	(17,862)	-	(17,862)
Reconciliation of funds			
Total funds brought forward	224,869	-	224,869
Total funds carried forward	207,007	-	207,007

continued...

11. Debtors: amounts falling due within one year

	2022	2021
	£	£
Grant debtors	51,164	52,013
Other debtors	11,122	1,122
Prepayments and accrued income	6,430	6,430
	68,716	59,565

12. Current asset investments

	2022	2021
	£	£
Cash held on deposit	388,863	211,581

13. Creditors: amounts falling due within one year

	2022	2021
	£	£
Social security and other taxes	9,814	349
Amounts owed to service users	148,561	172,585
Accruals and deferred income	5,850	5,572
	164,225	178,506

14. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	-	1,615

15. Provisions for liabilities

	2022	2021
	£	£
Provisions	35,000	35,000

Balance brought forward	35,000	25,000
Amounts provided in the year		10,000
Amounts released in the year	-	-
Balance carried forward	35,000	35,000

This covers the Trust's legal commitment should they decide to leave their current premises.

16. Movement in funds

	At 1.4.21	Net movement in funds	At 31.3.22
	£	£	£
Unrestricted funds			
General fund	207,007	257,761	464,768
TOTAL FUNDS	207,007	257,761	464,768

continued...

16. Movement in funds - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	835,429	(577,668)	257,761
TOTAL FUNDS	835,429	(577,668)	257,761

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	224,869	(17,862)	207,007
TOTAL FUNDS	224,869	(17,862)	207,007

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	516,846	(534,708)	(17,862)
TOTAL FUNDS	516,846	(534,708)	(17,862)

Unrestricted funds
Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

17. Employee benefit obligations

The charity operates a defined contribution scheme. The pension costs charge for the year represents contributions payable by the charity to the scheme and amounted to £42,983 (2021: £40,555).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

18. Related party disclosures

There were no related party transactions for the year ended 31st March 2022.

continued...

19. Members' liability

The charity is a private company, incorporated in England and Wales, limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

THE FRIENDLY TRUST

England & Wales - Charity number 1084265

Accounts

REGISTERED COMPANY NUMBER: 03608297
REGISTERED CHARITY NUMBER: 1084265

Report of the Trustees and

Audited Financial Statements for the Year Ended 31st March 2021

for

The Friendly Trust

The Friendly Trust

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The Friendly Trust

Report of the Trustees
for the Year Ended 31st March 2021

Introduction

The Friendly Trust helps vulnerable people with their money. We work in partnership with people who have disabilities, disabling illnesses, their families and carers by providing practical support and advice to enable them to manage their money more effectively and to end the distress and isolation caused by poverty, abuse and debt.

2020-2021 was a difficult year for all of us. The first lockdown was particularly difficult for those of us who live alone or find it difficult to understand confinement to home and other restrictions. Many service users and their support staff who had been in the habit of coming to the office suddenly were not able to; service users who had been used to cash for all their purchases suddenly had to use payment cards. Trust officer visits to service users' homes became very much less frequent, only taking place when really necessary.

Trust Officers adapted to working from home and kept in touch with service users in different ways: telephone being the main method although some of our service users use email or various different social media. Only admin staff continued to come to the office supporting Trust Officer colleagues by opening and passing on letters, maintaining the computers and so keeping everyone in touch.

Team meetings, Trustee meetings and many meetings with other professionals and training courses took place on screen. This new way of meeting is likely to continue even when we eventually emerge from the pandemic as it can be more efficient leaving us more time to devote to directly supporting our service users.

And so the work of The Friendly Trust continued and increased throughout the year.

The trustees wish to thank the staff for their hard work and support to service users and each other throughout this period.

Here are service user stories from 2020-2021:

Miss S is a 27 year old woman with a mild learning disability, depression, anxiety, asthma, psoriasis, kidney failure of one kidney. Miss S previously lived in supported shared lives accommodation, but since 2019 has lived alone independently in her own flat, which she loves, especially since the addition of a kitten last year!

Lockdown has been hard for Miss S. She is very sociable, enjoys meeting up with her large extended family and friends, going to gym and swimming, and especially shopping! Lockdown put a stop to all of Miss S's enjoyments and independence.

We've known Miss S since October 2019. Her lack of bubbliness and enthusiasm for life has been evident. Lockdown really has affected her. One of the things that has supported Miss S during lockdown is our continued telephone contact, usually speaking 3 or 4 times per week, if not daily. Just a quick chat, which would often last for 20-30 minutes, to keep her spirits and morale boosted, and to avoid the boredom that would be looming into wanting to buy things on the internet to treat herself and cheer herself up.

Over the last 15 months, Miss S has put on weight during lockdown. Boredom of remaining in the flat on her own, and not being able to go out and exercise has contributed to this. Whilst Miss S is able to cook, her understanding of a nutritious, healthy balanced diet is limited. With no slimming classes to attend, we looked at pre-prepared slimming meals that could be delivered to the house.

Unfortunately after three months, and gaining more weight, it was evident this was not going to work as Miss S didn't quite understand that she was only allowed to eat the pre-set meals provided and instead had been adding food on top of her dietary allowances. Not being able to visit her and sit down to talk through everything was really frustrating for both of us. We have been able to identify that Miss S ideally could do with support within her own home in learning to cook and understanding the value of calories, and portion control. A telephone interview was set up with Direct Payments and we are looking to employ a personal assistant for a few hours each week to support Miss S with this. Lockdown has not helped with finding the right person, but we are forever hopeful as restrictions ease. Losing weight has become more serious following a medical incident and Miss S is waiting for an appointment to see a dietician. Hopefully all of this support will enable her to lose weight, and when the gyms and swimming pool are back open she will be able to resume an active lifestyle.

P is a 33 year old gentleman with Learning Disabilities, living independently in the Vale.

For the most part P is very independent, but he struggles in many areas of his life. P initially came to The Friendly Trust because he was struggling with debt and tenancy issues in 2006 as a recent care-leaver who lacked the opportunities to develop any financial skills.

P still lacks budgeting skills. He can be very impulsive & requires constant input to assure his finances are appropriately managed.

P really struggled with the lockdowns, feeling increasingly isolated & alone. His Trust Officer spent a lot of time talking with P and encouraged him to call or chat on WhatsApp.

Today P is doing much better, he is looking forward to a fishing holiday, which through careful budgeting & constant discussion he was able to afford. The Friendly Trust has enabled P to realise many of his dreams and ensured his financial needs and responsibilities are met.

Below are messages received by his Trust Officer from P:

[27/06, 11:43]: You no m8 was thinking last night things you done for me that I probably never been able to get in life if didn't have u I never have stuff I have now and the holiday I'm going to see just thort be nice to let you no I appreciate everything you do even no you can be stubborn with my money but WA I need you saving I can basically get WA ever I like thanks Agen C if I could and give back I would

[27/06, 11:54] P: So its 100% a moped next so you do your thing and let's get there might need help here and there but next is that just like start new chapter and get on road start going new places just you best not go no were out every one I had you been way more control with Money just don't ever be disappointed for saying no to me because I understand y you do it and everything never get mad if u say no s**t happens 100% no y you do it I'm in a good spot in life that I never had hopefully Wen you see this put smile on you face because you have to me like you abled you be good place get nice fishing stuff my both consoles for gaming nice TV just makes me think how lucky to have you and family trust because if I didn't I not be were I am today m8

One of the Senior Trust Officers describes his working COVID experience:

The past year has thrown many challenges at our working practices, our ability to adapt in order to maintain a high level of service has been paramount in our success to continue to support the most vulnerable in our community.

The main challenges I faced were -

" Remote working from home
" Visiting the most vulnerable in the community
" Ensuring staff and service user well being

Although I have worked from home before COVID19, working full time away from the office was difficult to begin with, ensuring the welfare and education of my daughter whilst working was certainly a challenge, through Teams and online meetings I have been able to keep in contact with staff and healthcare professionals, attending online meetings and liaising with Friendly trust staff and administrators.

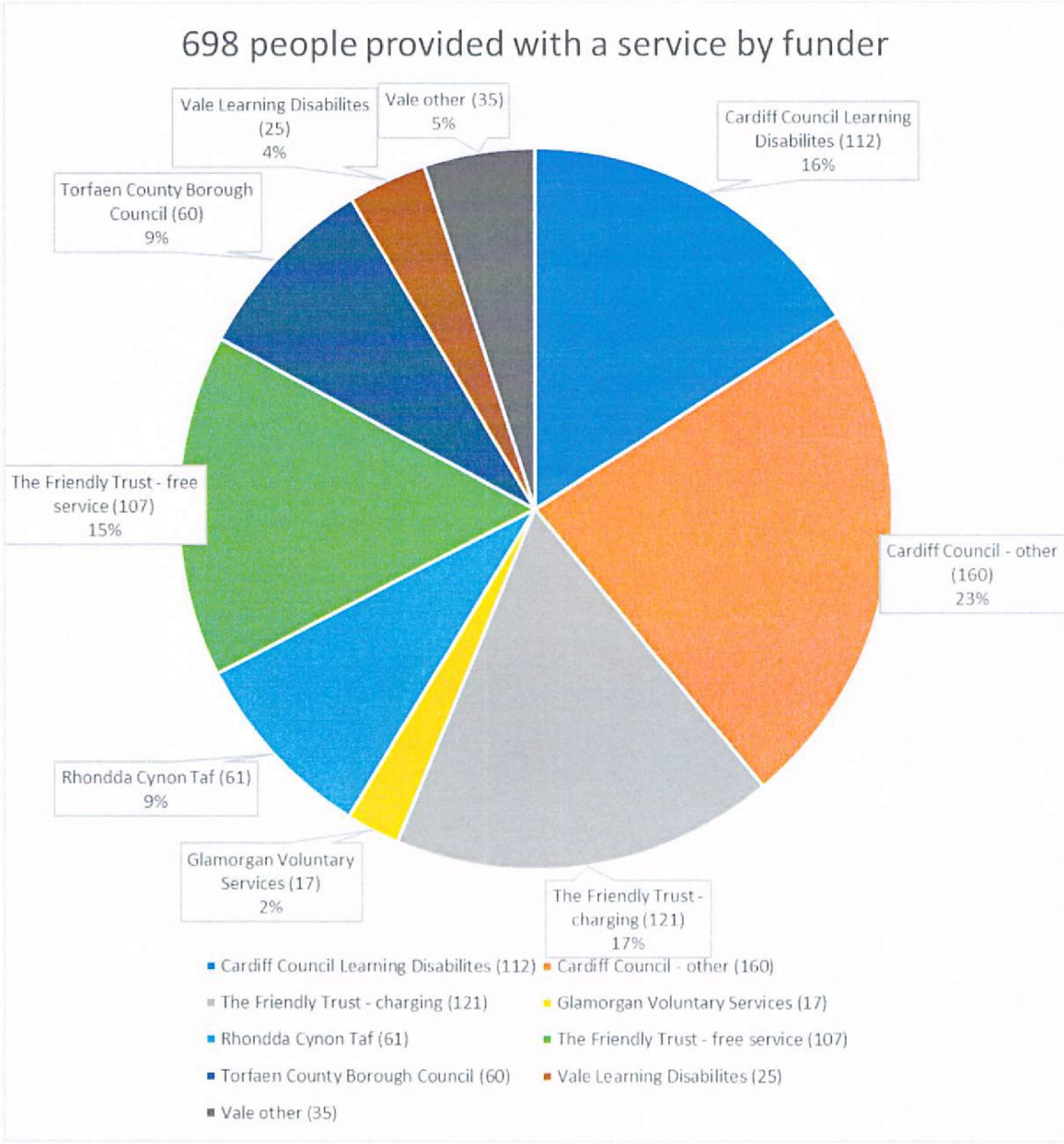
I currently have 4 service users who I visit on a weekly basis to provide cash drops, during the pandemic I have had to ensure that their safety comes first and to reduce contact as much as possible, this was done by wearing a mask/gloves and apron if needed, and if possible not entering their homes, other service users who required money I have setup on a prepayment cash card, this has worked very well and helped them to regain some control of their money.

As we have had to reduce visits to our service users I have been calling our most vulnerable (those who live alone) on a regular basis to ensure they are ok, many of our service users who live alone do not have a support network apart from the Friendly Trust so it is extremely important for us to maintain regular contact.

As a senior trust officer I have ensured regular contact with the trust officers I support, this has been done by weekly team meetings online and monthly supervision meetings, and relaying any concerns to my line manager.

Moving forward I would like to see some of the practices brought into place during COVID to continue, split working between the office and home has and can help reduce travel time for staff and also ensure the office does not become too crowded, Teams meetings with healthcare professionals has also helped reduce staff time travelling to various locations.

Overall, we provided a service to 698 people. Distribution by funder is illustrated on the next page:


698 people provided with a service by funder
Vale Learning Disabilites (25) 4%
Vale other (35) 5%
Cardiff Council Learning Disabilites (112) 16%
Torfaen County Borough Council (60) 9%
The Friendly Trust - free service (107) 15%
Cardiff Council - other (160) 23%
Rhondda Cynon Taf (61) 9%
Glamorgan Voluntary Services (17) 2%
The Friendly Trust - charging (121) 17%
Cardiff Council Learning Disabilites (112)
Cardiff Council - other (160)
The Friendly Trust - charging (121)
Glamorgan Voluntary Services (17)
Rhondda Cynon Taf (61)
The Friendly Trust - free service (107)
Torfaen County Borough Council (60)
Vale Learning Disabilites (25)
Vale other (35)

Objectives and activities

What the Friendly Trust Does

Our Vision

Financial independence and security for everyone.

Our Mission
Provide assistance and advice to vulnerable people in the management of their finances.

Our Values
To deliver our mission, we do the following:

- Assist vulnerable people who need help to manage their money, including debts
- Assist vulnerable people to claim their rights to social security benefits
- Assist vulnerable people, older people, and carers to safeguard their future by making a lasting power of attorney
- Advise families on how they can plan for the future of their vulnerable relative
- Advise families on making wills and setting up trust funds to benefit a vulnerable relative
- Manage trusts which benefit a vulnerable person
- Act as Deputy appointed by the Court of Protection
- Lessen or eliminate vulnerability from financial abuse

Objectives and activities

Public benefit

We refer to the guidance contained in the Charity Commission's general guidance on public benefit and in particular, the trustees consider how planned activities will contribute to our aims and objectives.

All our charitable activities focus on helping vulnerable people, including disabled people and people who are ill; their families and unpaid carers - to achieve financial independence and security. This can include providing advice or practical help to budget and manage money and planning for the future by making a will or setting up a trust for a vulnerable relative.

Free advice is provided to any vulnerable person or unpaid carer contacting us during "office duty" times which are weekdays 10am until 12pm and 2pm until 4pm. The definition of free advice includes helping to plan their will and draw up lasting powers of attorney.

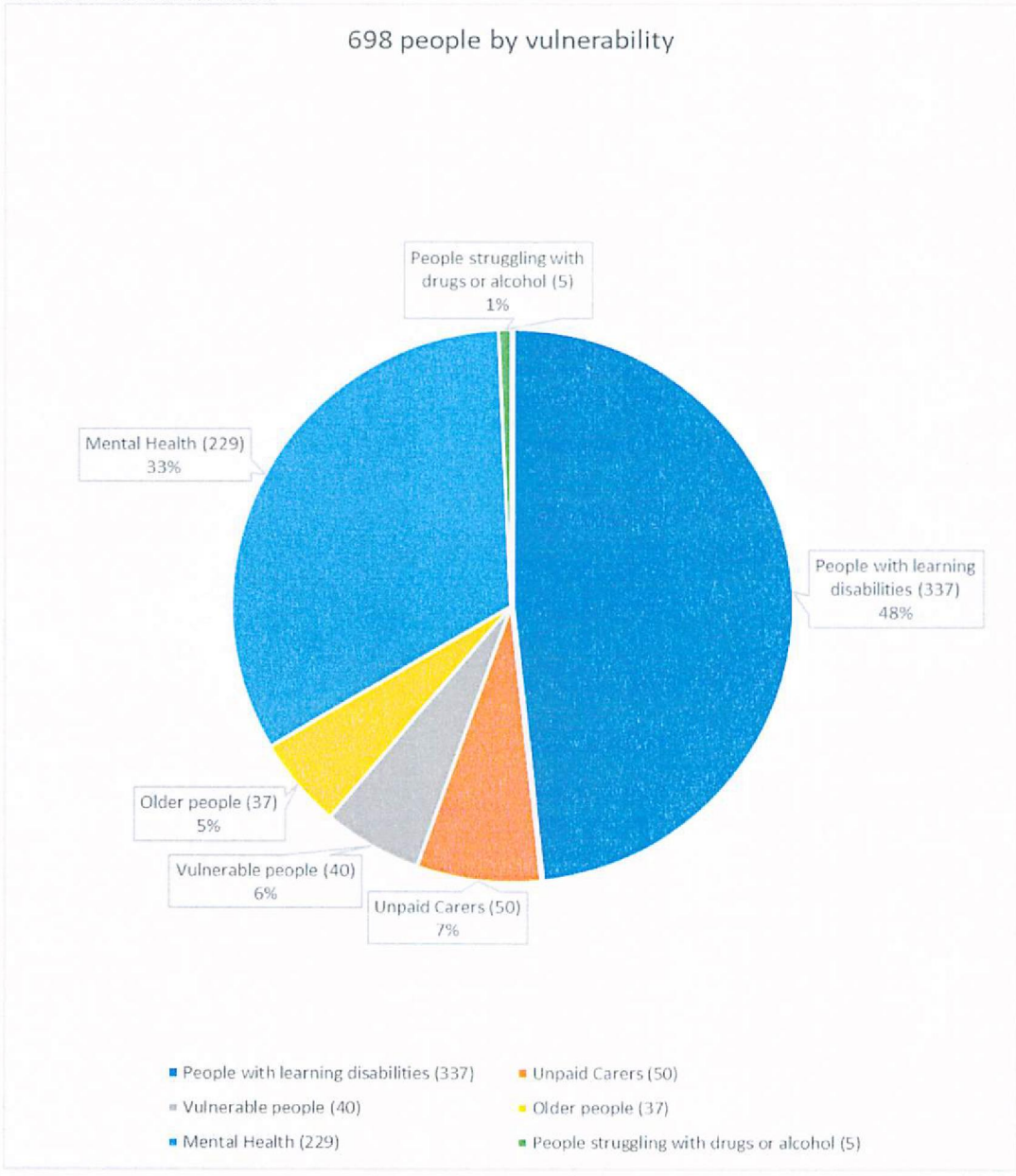
Monitoring and feedback exercises are carried out to evidence funding we receive for specific projects in addition to the annual satisfaction survey conducted across all projects and core services.

Charitable activities
Achievement and performance Impact and Value
The Friendly Trust worked with 698 individuals assigning each of them a Trust Officer to support them with the management of their day to day finances and budgeting or to help them plan for the future, for example, by making a Lasting Power of Attorney.

As illustrated on the following page, about half of our service users had learning disabilities but we helped people from many different backgrounds; facing many various life challenges and experiencing difficulty managing their everyday finances.

The categories in the chart below are a broad description of how our service users, or their referrer, would primarily describe their vulnerability. In reality we are all complex and we all experience many elements which may make us vulnerable with our money or other matters. The Friendly Trust endeavours to help our vulnerable service users deal with money and property matters.

2020-2021 Our Service Users



Office Team: Trust Officers & Admin

A high quality service individually tailored to the needs of each service user is delivered by Trust Officers supported by the Admin team. During 2020-2021 the post of Senior Administrator was created to support and enhance the work of the administrators.

The Co-ordinator and the Senior Trust Officers supervise the work of the Trust Officers and each carry a small caseload of service users themselves. Staff time is valuable and there is big demand for the service. At the time of writing 65 people were on the waiting list for a service.

Admin perform many tasks to keep the office running smoothly and to support the Trust Officers and the Co-ordinator. One of their very important roles is monitoring the management of the charity's money and our service users' money which we look after under the authority granted by the Court of Protection, the Department of Work and Pensions or the person themselves (Lasting Power of Attorney).

Trustees

The board continues to meet on a bi-monthly basis providing direction and support for the office staff. There were some valuable additions to the board during the year. Owain Phillips and Jason Tucker joined in January 2021. Owain is a TV presenter and journalist; Jason is a lecturer bringing legal knowledge in relation to social security benefits' claims.

Elinor Kerr-Smith, a lecturer with legal expertise attended meetings towards the end of the financial year with a view to joining the board.

Financial review

The Charity's net outgoing resources amounted to £17,862 (2020 net incoming resources: £46,261), which has decreased the available funds from £224,869 to £207,007. No restricted income received in the year.

Strategic report

Financial review

1. Investment policy and objectives

1.1 The Friendly Trust is a registered charity which helps vulnerable adults to manage their money.
1.2 This investment policy applies to the unrestricted reserves and restricted reserves held by The Friendly Trust which together amount to approximately £200,000. It is not applicable to investments made on behalf of our service users in the role of Appointee, Deputy, Attorney, Executor or Trustee.
1.3 The Trustees of The Friendly Trust are governed by the Trustee Act 2000 which sets out the general power of investment.
1.4 This policy is intended to clarify the responsibilities of the trustees and provide additional working guidance in relation to The Friendly Trust's investments; it is not intended to supersede or contradict the Trustee Act 2000.

2. Investment Objectives

2.1The Friendly Trust seeks to produce the best financial return within an acceptable level of risk. Capital preservation is the highest priority in deciding where to place funds.

3. Risk

3.1 The unrestricted cash reserves of The Friendly Trust are broadly in line with the minimum deemed necessary to provide working capital for our operations and to deal with any risks that materialise and may result in an unexpected increase in expenditure or a reduction in income. Capital volatility should be avoided and unrestricted reserves should be invested with a cautious approach to risk.
3.2 Restricted cash reserves are required to fund specific projects and liabilities. Capital volatility should be avoided and funds should be invested with a conservative approach to risk.
3.3 The Charity's funds should be held in cash or near cash investments denominated in sterling. The exception to this would be in circumstances if foreign assets or assets not held in cash were bequeathed to the charity. In such circumstances The Friendly Trust would take professional advice as soon as possible.
3.4 The Friendly Trust will usually make use of banks and building societies covered by the UK'S Financial Services Compensation Scheme. The institution should also be incorporated in the UK. The sum of money placed in such institutions (or related group) should not normally exceed the maximum limit for compensation under the Scheme (currently £85,000).
3.5 The Friendly Trust will seek professional financial advice before investing in any institution not covered in paragraph 3.4. The institution/investment must be regulated by the FSA or PRA.
3.6 Any investment opportunity which could not be described as being placed with a "bank or building society" (as outlined in paragraph 3.4) must be discussed, agreed and noted at a management committee meeting to which all of the trustees have been invited.

4. Liquidity Requirements

4.1 Approximately £50,000 of available reserves constitutes a working balance and should be held where it can be immediately accessed. The balance of funds may be invested for a period up to 3 years however, any investment for a period exceeding 365 days requires the approval of the Management Committee.

5. Management, Reporting and Monitoring
5.1 Day to day decisions on placing and withdrawing deposits are to be made by the co-ordinator.
5.2The Finance Committee will monitor the cash position and performance and report this to the Management Committee at least annually.
5.3 Any of the trustees may request information from the co-ordinator at any time regarding cash balances, The Friendly Trust's investments or other budgetary information. The co-ordinator will normally respond to such information requests within 7 days.

6. Approval and Review
6.1 This Investment Policy Statement was prepared to provide a framework for the investment of The Friendly Trust's funds. It will be reviewed on an annual basis, or more frequently if requested by any of the trustees.
6.2 It will also be immediately reviewed should cash reserves exceed £500,000.

Financial review
Reserves policy

The economic climate facing the Third Sector over the past few years has continued to place pressure on funding streams and the Trustees acknowledge the need to retain available reserves to facilitate the continuance of at least the current level of service delivery. The Trustees use their discretion to provide a free services to some individuals and families who do not qualify for our local authority funded services but are nevertheless in need of the charity's support. Without sufficient reserves, this assistance would be at risk. The Trustees also recognise that should a closure of operations be required due to any external factors, they would want to do so in such a way that those who rely on the Friendly Trust, both those who work for the Charity and those who receive direct services from it, are not and do not feel abandoned.

The policy of the Charity, which is reviewed at regular intervals, is to aim towards securing reserves to fund six months' worth of operational costs in order to meet these needs. At the balance sheet date, the level of available unrestricted funds amounted to £207,007 (220; £224,869), which represents 77% of the target reserve.

Future plans

Our Strategy

Our goals over the next three-years are to:

- Remain focused on providing public benefit
- Deliver outstanding levels of service to our service users
- Ensure the good administration and governance of the Trust

To meet out goals, we will pursue the following strategies:

- Pursue partnerships: we will look for and develop opportunities for joint working with other agencies
- Invest in staff: we will attract, retain, and invest in a team of skilled & motivated staff and volunteers, focussing on their professional development and reward
- Develop Trustees: we will attract, retain, and support the development of a skilled and diverse Board of Trustees
- Involve service users: we will ensure we seek out and listen to the voice of our service users, and continuously look for ways to involve them in the work of the Trust
- Offer free services: we will continue to provide free services and look to expand that offer
- Grow only when prudent: we will grow the Trust in a wise and prudent manner as suitable opportunities present themselves, but never at the risk of compromising our standards of service or our public benefit
- Be visible and open: we will maintain a professional and updated website and ensure current and prospective service users can contact staff and get information easily
- Be financially practical: we will carry on a conversation with our funders each year to make sure we have the reasonable resources we need to deliver the outstanding levels of service we and they expect us to deliver

Structure, governance and management
Governing document
The Charity is a company, limited by guarantee, registration number 3608297. It is registered with the Charity Commission number 1084265. The charity changed its memorandum and articles in November 2013 to allow itself to become a Trust Corporation.

Report of the Trustees
for the Year Ended 31st March 2021

Organisational structure
The Friendly Trust is governed by a Board of Trustee Directors, all of whom act in a voluntary unpaid capacity, and meet at least every other month to direct the work of The Friendly Trust.

Financial controls
Financial probity is attained by internal monitoring systems and by external audit. Cash handling is recognised as the area most vulnerable to error and fraud and so the systematic checking and monitoring is particularly scrupulous in this area.

Structure, governance and management
Appointment, induction and training of new trustees
There is an on-going need to recruit new trustees to strengthen the governance of The Friendly Trust. New trustees are sought through advertising on volunteer recruitment sites. Potential trustees may also be approached following personal recommendation. New trustees are sent the governing documents and introduced to other trustees and staff members. Formal training for trustees on their legal responsibilities is held from time to time.

Reference and administrative details
Registered Company number
03608297 (Not specified/Other)

Registered Charity number
1084265

Registered office
Canton House
435-451 Cowbridge Road East
Canton
Cardiff
CF5 1JH

Trustees
Janet Claire Burke - Chair
Norbert Flynn
Philip Joseph Boshier
David Keith Riman
Jonathan Cordy
Matthew John Wedlake
Susan Lesley Roberts
Owain Phillips(appointed 21.1.2021)
Jason Tucker (appointed 12.1.2021)
Elinor Kerr-Smith (appointed 02.04.21)

Auditors
Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Bankers
The Co-operative Bank plc
PO Box 101
1 Balton Street
Manchester
M60 4EP

CAFCASH Limited
PO Box 289
West Malling
Kent
ME19 4TA

Funds held as custodian for others
The Charity manages money on behalf of its services users. This service includes paying expenditure on their behalf, detailed records are kept to ensure that the Charity is able to identify amounts owed to/by each individual. As stated above when service users have substantial funds an Independent Financial Advisor is consulted for recommendations on appropriate investments.

During the year an exceptional cost of £10,000 was incurred to rectify an instance in which one service user's funds had been misused by a trust officer to meet the expenses for another service user. The trust officer was expecting to resolve matters using a future income stream which ultimately did not materialise.

The trustees acted immediately upon discovery of the issue, applying the charity's disciplinary policies and guidelines when dealing with the trust officer concerned and replacing in full the money used in error to the service user whose funds had been misused. The incident was reported to all relevant authorities including the Financial Conduct Authority (FCA), social services and the police in accordance with the charity's own policies and the legal obligations of the trustees. The trust officer in question is no longer employed by The Friendly Trust.

Statement of trustees' responsibilities
The trustees (who are also the directors of The Friendly Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors
The auditors, Haines Watts Wales LLP, Statutory Auditors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 3 December 2021 and signed on the board's behalf by:

J. Claire Burke

.....

Janet Claire Burke - Trustee

Report of the Independent Auditors to the Members of The Friendly Trust

Opinion

We have audited the financial statements of The Friendly Trust (the 'charitable company') for the year ended 31st March 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 31st March 2021 and of its incoming resources and application of resources, including 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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 planning procedures identify the legal and regulatory frameworks applicable to the operations and financial statements of the charity. These are reviewed internally with the audit team including relevant industry experience and expectations as well as externally with the client management. The key laws and regulations we considered in this context were the UK Companies ACT 2006, Charities Act 2011 and relevant tax legislation.

Once identified, we assess the risks of material misstatements in relation to the laws and regulations, irregularities, including fraud and adjust our testing accordingly. Our audit procedures include:

- Discussing with Trustees and management which areas of the business they believe to be more susceptible to fraud, and whether they have any knowledge or suspicion of fraudulent activities
- Obtaining an understanding of the key controls put in place by the charity to address risks identified, assessing the effectiveness of those and discussing how these are maintained and monitored internally
- Assessing the risk of management override and review and testing of journal entries made into the accounting system
- Challenging assumptions and judgements made by the charity in relation to the significant accounting estimates employed in the preparation of the financial statements
- Discussing with Trustees and management the legal and regulatory obligations of the business and whether they have any knowledge or suspicion of non compliance
- Substantively testing by sample, income and expenditure transactions recorded against individual service users, reconciliations performed by management and the controls over-arching the safe guarding of service users funds.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularities likely involve collusion, forgery, intentional misrepresentation, or the override of internal controls.

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

Report of the Independent Auditors to the Members of
The Friendly Trust

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 auditors' 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.

Clive Edwards (Senior Statutory Auditor)
for and on behalf of Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Date: 13 December 2021

The Friendly Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st March 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Income and endowments from					
Donations and legacies	2	1,028	-	1,028	2,201
Charitable activities					
Core services	4	515,236	-	515,236	519 812
Investment income	3	582	-	582	1,432
Total		516,846	-	516,846	523,445
Expenditure on Charitable activities					
Core services	5	534,708	-	534,708	477,184
NET INCOME/(EXPENDITURE)		(17,862)	-	(17,862)	46,261
Reconciliation of funds					
Total funds brought forward		224,869	-	224,869	178,608
Total funds carried forward		207,007	-	207,007	224,869

The notes form part of these financial statements

Statement of Financial Position
31st March 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Current assets					
Debtors	11	59,565	-	59,565	68,195
Investments	12	211,581	-	211,581	246,049
Cash at bank and in hand		149,367	-	149,367	218,586
		420,513	-	420,513	532,830
Creditors					
Amounts falling due within one year	13	(178,506)	-	(178,506)	(272,961)
Net current assets		242,007	-	242,007	259,869
Total assets less current liabilities		242,007	-	242,007	259,869
Provisions for liabilities	15	(35,000)	-	(35,000)	(35,000)
NET ASSETS		207,007	-	207,007	224,869
Funds					
Unrestricted funds	16			207,007	224,869
Total funds				207,007	224,869

The financial statements were approved by the Board of Trustees and authorised for issue on 30 November 2021 and were signed on its behalf by:

J. Claire Burke

Janet Claire Burke - Trustee

Norbert Flynn

Norbert Flynn - Trustee

The notes form part of these financial statements

The Friendly Trust

Statement of Cash Flows
for the Year Ended 31st March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(104,269)	93,836
Net cash (used in)/provided by operating activities		(104,269)	93,836
Cash flows from investing activities			
Investments		34,468	(1,311)
Interest received		582	1,432
Net cash provided by investing activities		35,050	121
Change in cash and cash equivalents in the reporting period		(69,219)	93,957
Cash and cash equivalents at the beginning of the reporting period		218,586	124,629
Cash and cash equivalents at the end of the reporting period		149,367	218,586

The notes form part of these financial statements

Notes to the Statement of Cash Flows for the Year Ended 31st March 2021

1. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2021 £	2020 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(17,862)	46,261
Adjustments for:		
Interest received	(582)	(1,432)
Decrease/(increase) in debtors	8,630	(15,138)
(Decrease)/increase in creditors	(94,455)	64,145
Net cash (used in)/provided by operations	(104,269)	93,836

2. Analysis of changes in net funds

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	218,586	(69,219)	149,367
	218,586	(69,219)	149,367
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	246,049	(34,468)	211,581
	246,049	(34,468)	211,581
Total	464,635	(103,687)	360,948

The notes form part of these financial statements

1. Accounting policies

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

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Trustees have tested their cash flow analysis to take into account the impact on the charity of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Income
Service user fees, donations and similar incoming resources are recognised when they are received. Outstanding legacies are regularly reviewed and recognised when the incoming resource can be measured with sufficient reliability. Donations in kind are included as income at a fair value. Donated time provided by volunteers is not included.

Investment income is recognised on a receivable basis.

Grants are included as an incoming resource when the charity is entitled to the resources, it is virtually certain that the incoming resource will be received and the monetary value can be measured with sufficient reliability. Revenue grants are credited to the income and expenditure account in the year to which they relate. Where grants have been received but relate to a future accounting period, that part of the grant received is deferred to the appropriate period.

Expenditure
Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

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

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

Taxation
The company is a registered charity and all of its income is primary purpose it is, therefore, exempt from taxation.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Operating leases
Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

continued...

1. Accounting policies - continued

Operating leases

Provisions
Where liabilities exist of uncertain timing and amount, the Charity provides for its best estimate of any eventual costs to be incurred.

Debtors
Debtors are recorded at the value of their recoverable amount.

Investments
Investment balances reflect amounts held on deposit to achieve an improved rate of return in line with the Charities treasury management policy.

Creditors
Creditors are recorded at the value of the identified liability.

2. Donations and legacies

	2021	2020
	£	£
Legacies, bequests and donations	1,028	2,201

3. Investment income

	2021	2020
	£	£
Deposit account interest	582	1,432

4. Income from charitable activities

	Activity	2021 £	2020 £
Cardiff County Council	Core services	250,774	235,268
Torfaen County Borough Council	Core services	63,732	61,194
Vale of Glamorgan Council	Core services	46,751	52,183
Monmouthshire County Council	Core services	1,352	1,258
Fees re service users	Core services	93,634	123,501
Newport Borough Council	Core services	1,152	1,208
Rhondda Cynon Taf Council	Core services	52,128	40,200
GVS	Core services	5,713	5,000
		515,236	519,812

continued...

5. Charitable activities costs

	Direct Costs	Support costs (see note 6)	Totals
	£	£	£
Core services	461,956	72,752	534,708

6. Support costs

	Management	Finance	Governance costs	Totals
	£	£	£	£
Core services	10,000	58,797	3,955	72,752

The exceptional item below relates to the discovery of funds that had been used from one service users account to meet expenses for another, based on an expected income stream which would rectify the position, but which ultimately did not appear.
The Trustees acted immediately upon discovery, suspending and ultimately dismissing the staff member concerned. The incident was reported to all relevant authorities in accordance with both the Charities own policies and those of the Regulator, Social Services and Police. The Trustees have replaced the money used in error and favourably resolved the position surrounding the income stream.

Support costs, included in the above, are as follows:

	2021 Core services	2020 Total activities
	£	£
Exceptional items	10,000	-
Wages	55,209	40,281
Social security	3,588	2,109
Repairs and renewals	-	10,000
Auditors' remuneration	1,555	1,440
Auditors' remuneration for non audit work	2,400	2,400
	72,752	56,230

7. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	1,555	1,440
Auditors' remuneration for non audit work	2,400	2,400
Hire of other assets - operating leases	7,000	7,000

continued...

8. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31st March 2021 nor for the year ended 31st March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2021 nor for the year ended 31st March 2020.

9. Staff costs

	2021	2020
	£	£
Wages and salaries	374,541	329,010
Social security costs	33,131	28,522
Other pension costs	40,555	31,951
	448,227	389,483

The average monthly number of employees during the year was as follows:

	2021	2020
Charitable activities	15	12
Support and administration	4	3
	19	15

No employees received emoluments in excess of £60,000.

10. Comparatives for the statement of financial activities

	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments from			
Donations and legacies	2,201	-	2,201
Charitable activities			
Core services	519,812	-	519,812
Investment income	1,432	-	1,432
Total	523,445	-	523,445
Expenditure on			
Charitable activities			
Core services	477,184	-	477,184
NET INCOME	46,261	-	46,261
Reconciliation of funds			
Total funds brought forward	178,608	-	178,608
Total funds carried forward	224,869	-	224,869

continued...

11. Debtors: amounts falling due within one year

	2021	2020
	£	£
Grant debtors	52,013	60,643
Other debtors	1,122	1,122
Prepayments and accrued income	6,430	6,430
	59,565	68,195

12. Current asset investments

	2021	2020
	£	£
Cash held on deposit	211,581	246,049

13. Creditors: amounts falling due within one year

	2021	2020
	£	£
Social security and other taxes	349	7,019
Amounts owed to service users	172,585	260,487
Accruals and deferred income	5,572	5,455
	178,506	272,961

14. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	1,615	7,000
Between one and five years	-	1,592
	1,615	8,592

15. Provisions for liabilities

	2021	2020
	£	£
Provisions	35,000	35,000

Balance brought forward	35,000	25,000
Amounts provided in the year		10,000
Amounts released in the year	-	-
Balance carried forward	35,000	35,000

This covers the Trust's legal commitment should they decide to leave their current premises.

continued...

16. Movement in funds

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	224,869	(17,862)	207,007
TOTAL FUNDS	224,869	(17,862)	207,007

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	516,846	(534,708)	(17,862)
TOTAL FUNDS	516,846	(534,708)	(17,862)

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	178,608	46,261	224,869
TOTAL FUNDS	178,608	46,261	224,869

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	523,445	(477,184)	46,261
TOTAL FUNDS	523,445	(477,184)	46,261

Unrestricted funds
Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

continued...

17. Employee benefit obligations

The charity operates a defined contribution scheme. The pension costs charge for the year represents contributions payable by the charity to the scheme and amounted to £40,555 (2020: £31,951).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

18. Related party disclosures

There were no related party transactions for the year ended 31st March 2021.

19. Members' liability

The charity is a private company, incorporated in England and Wales, limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The Friendly Trust

Detailed Statement of Financial Activities for the Year Ended 31st March 2021

	2021 £	2020 £
Income and endowments		
Donations and legacies		
Legacies, bequests and donations	1,028	2,201
Investment income		
Deposit account interest	582	1,432
Charitable activities		
Cardiff County Council	250,774	235,268
Torfaen County Borough Council	63,732	61,194
Vale of Glamorgan Council	46,751	52,183
Monmouthshire County Council	1,352	1,258
Fees re service users	93,634	123,501
Newport Borough Council	1,152	1,208
Rhondda Cynon Taf Council	52,128	40,200
GVS	5,713	5,000
	515,236	519,812
Total incoming resources	516,846	523,445
Expenditure		
Charitable activities		
Wages	319,332	288,729
Social security	29,543	26,413
Pensions	40,555	31,951
Rent, rates and service charges	30,428	29,690
Insurance	12,260	8,968
Equipment costs not capitalised	4,367	5,023
Office costs	3,133	1,400
Travel and subsistence	2,029	10,562
Utilities	3,295	3,241
Telephone	7,221	7,251
Recruitment & vetting costs	328	1,162
Books & memberships	97	571
Postage	1,583	1,959
IT services & software	5,861	617
Bank charges	125	(58)
Companies house & data protect ion	13	13
Legal fees	-	1,256
Printing & Stationary	1,786	2,206
	461,956	420,954
Support costs		
Management		
Exceptional items	10,000	-
Finance		
Wages	55,209	40,281
Social security	3,588	2,109
	58,797	42,390
Information technology		
Repairs and renewals	-	10,000

Detailed Statement of Financial Activities for the Year Ended 31st March 2021

	2021 £	2020 £
Information technology		
Governance costs		
Auditors' remuneration	1,555	1,440
Auditors' remuneration for non audit work	2,400	2,400
	3,955	3,840
Total resources expended	534,708	477,184
Net (expenditure)/income	(17,862)	46,261