

**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 bubblyness 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.

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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.

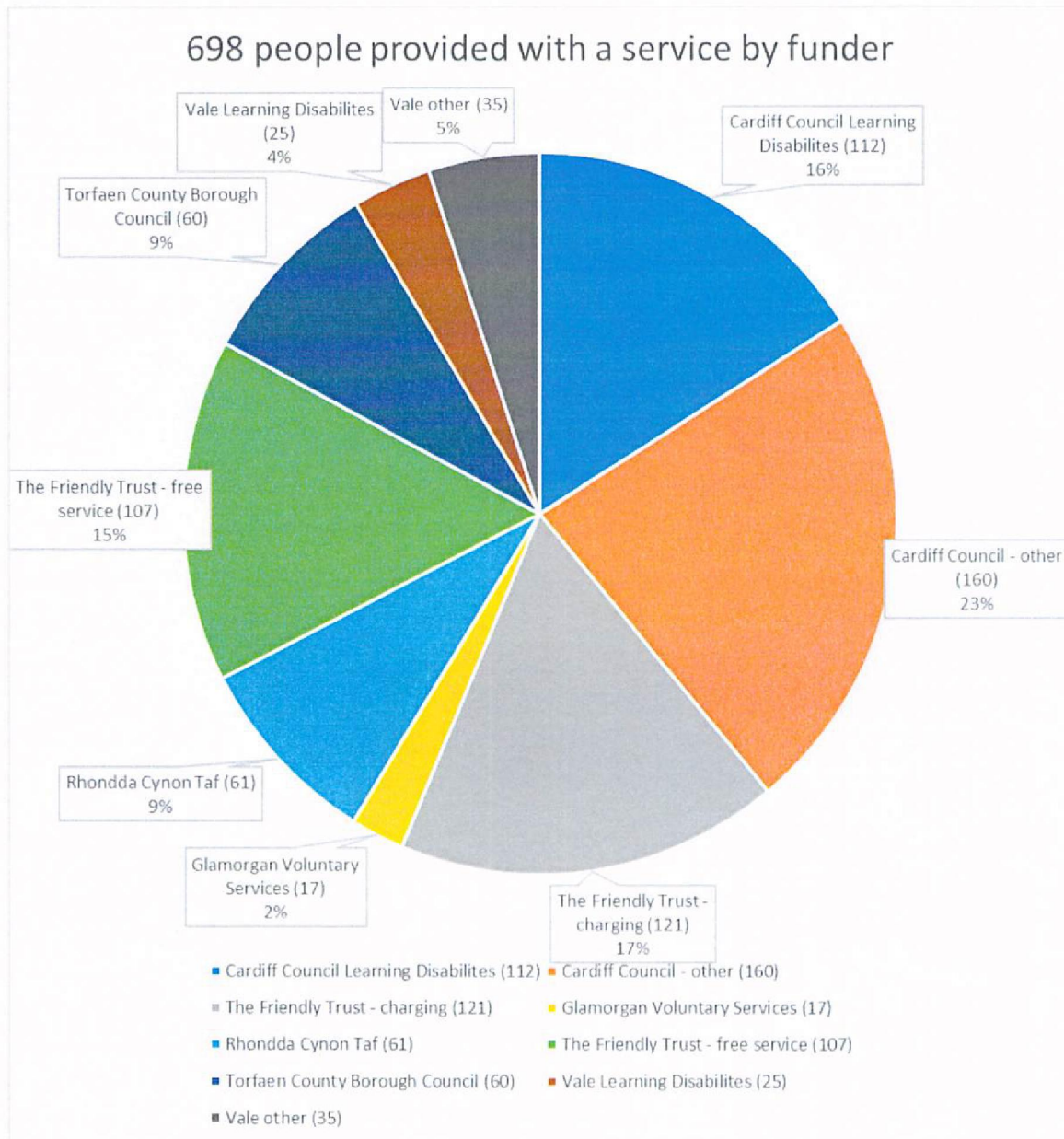
As a senior trust officer I have ensured regular contact with the trust officers I support, this has been done by weekly team meetings online and monthly supervision meetings, and relaying any concerns to my line manager.

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:



**The Friendly Trust**  
**Report of the Trustees**  
**for the Year Ended 31st March 2021**



## **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.

**The Friendly Trust**  
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**Charitable activities**

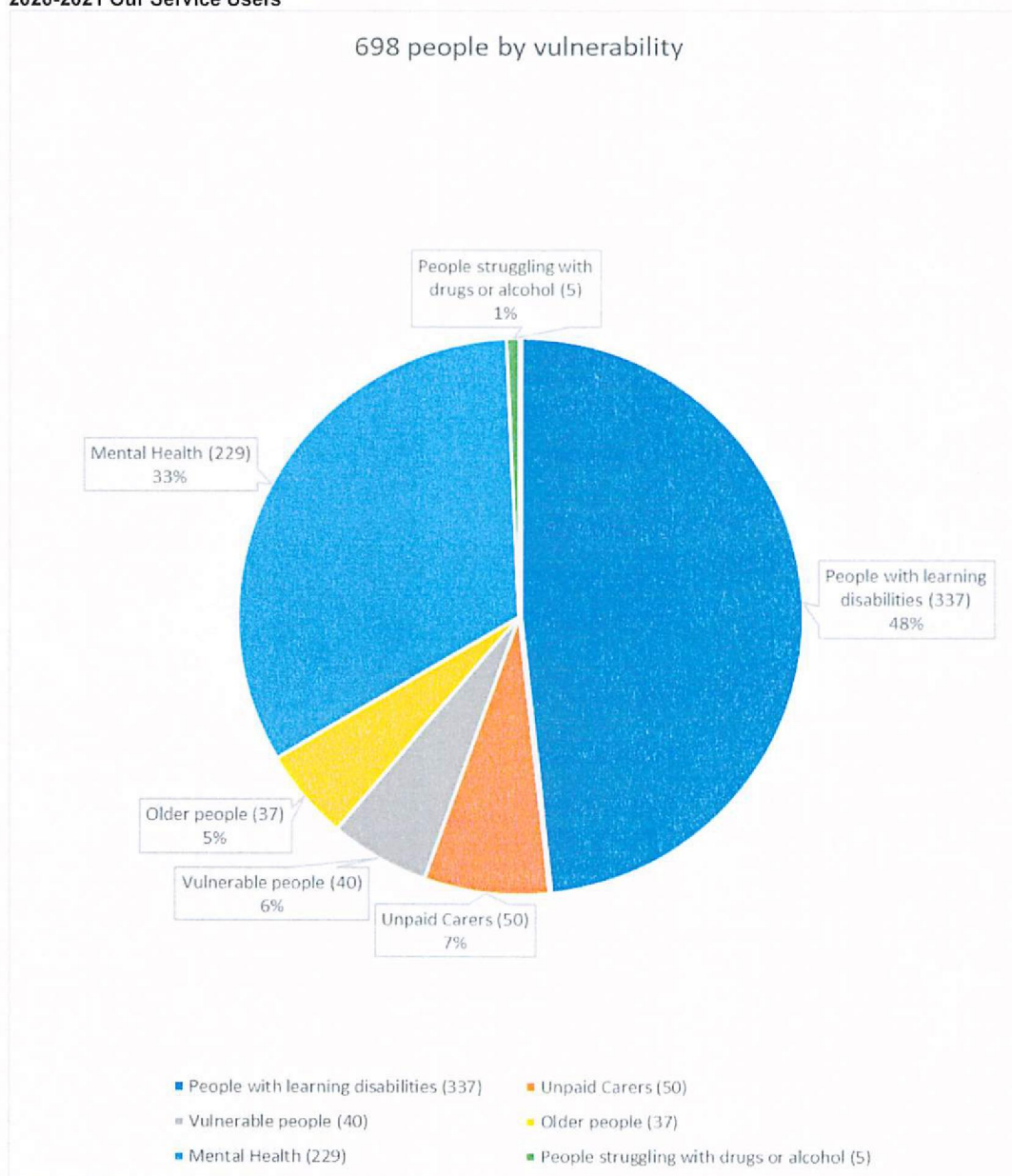
**Achievement and performance Impact and Value**

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**



## **The Friendly Trust**

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

#### **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**

2.1 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.

##### **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.



**The Friendly Trust**  
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**for the Year Ended 31st March 2021**

**5. Management, Reporting and Monitoring**

5.1 Day to day decisions on placing and withdrawing deposits are to be made by the co-ordinator.

5.2 The 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 our 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.

**The Friendly Trust**  
**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 Ballon Street  
Manchester  
M60 4EP

CAFCASH Limited  
PO Box 289  
West Malling  
Kent  
ME19 4TA

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**for the Year Ended 31st March 2021**

**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 30 April 2021 and signed on the board's behalf by:

  
.....  
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.



## **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.

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.

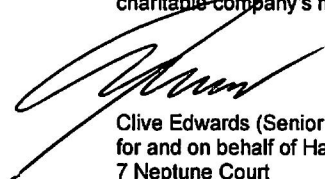
Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularities 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](http://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 £
<b>Income and endowments from</b>					
Donations and legacies	2	1,028	-	1,028	2,201
<b>Charitable activities</b>					
Core services	4	515,236	-	515,236	519,812
Investment income	3	<u>582</u>	<u>-</u>	<u>582</u>	<u>1,432</u>
<b>Total</b>		516,846	-	516,846	523,445
<b>Expenditure on</b>					
<b>Charitable activities</b>					
Core services	5	534,708	-	534,708	477,184
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET INCOME/(EXPENDITURE)</b>		(17,862)	-	(17,862)	46,261
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		224,869	-	224,869	178,608
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total funds carried forward</b>		<u>207,007</u>	<u>-</u>	<u>207,007</u>	<u>224,869</u>

The notes form part of these financial statements

The Friendly Trust (Registered number: 03608297)

Statement of Financial Position  
31st March 2021

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

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

  
Janet Claire Burke - Trustee

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

The notes form part of these financial statements

**The Friendly Trust**

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

<b>1. Reconciliation of net (expenditure)/income to net cash flow from operating activities</b>			
	<b>2021</b>	<b>2020</b>	
	<b>£</b>	<b>£</b>	
<b>Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)</b>	(17,862)	46,261	
<b>Adjustments for:</b>			
Interest received	(582)	(1,432)	
Decrease/(increase) in debtors	8,630	(15,138)	
(Decrease)/increase in creditors	<u>(94,455)</u>	<u>64,145</u>	
<b>Net cash (used in)/provided by operations</b>	<u>(104,269)</u>	<u>93,836</u>	
 <b>2. Analysis of changes in net funds</b>			
	<b>At 1.4.20</b>	<b>Cash flow</b>	<b>At 31.3.21</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash</b>			
Cash at bank and in hand	<u>218,586</u>	<u>(69,219)</u>	<u>149,367</u>
	<u>218,586</u>	<u>(69,219)</u>	<u>149,367</u>
 <b>Liquid resources</b>			
Deposits included in cash	-	-	-
Current asset investments	<u>246,049</u>	<u>(34,468)</u>	<u>211,581</u>
	<u>246,049</u>	<u>(34,468)</u>	<u>211,581</u>
 <b>Total</b>	<u><u>464,635</u></u>	<u><u>(103,687)</u></u>	<u><u>360,948</u></u>

The notes form part of these financial statements

**The Friendly Trust**  
**Notes to the Financial Statements**  
**for the Year Ended 31st March 2021**

**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.

**The Friendly Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2021**

**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**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Legacies, bequests and donations	<u>1,028</u>	<u>2,201</u>

**3. Investment income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Deposit account interest	<u>582</u>	<u>1,432</u>

**4. Income from charitable activities**

		<b>2021</b>	<b>2020</b>
	<b>Activity</b>	<b>£</b>	<b>£</b>
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
		<u>515,236</u>	<u>519,812</u>



**The Friendly Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2021**

**5. Charitable activities costs**

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

**6. Support costs**

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

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	<u>2,400</u>	<u>2,400</u>
	<u>72,752</u>	<u>56,230</u>

**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	<u>7,000</u>	<u>7,000</u>

**The Friendly Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2021**

**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
	<u>448,227</u>	<u>389,483</u>

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

	2021	2020
Charitable activities	15	12
Support and administration	4	3
	<u>19</u>	<u>15</u>

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

**10. Comparatives for the statement of financial activities**

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

**The Friendly Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2021**

**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	<u>6,430</u>	<u>6,430</u>
	<u>59,565</u>	<u>68,195</u>

**12. Current asset investments**

	2021	2020
	£	£
Cash held on deposit	<u>211,581</u>	<u>246,049</u>

**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	<u>5,572</u>	<u>5,455</u>
	<u>178,506</u>	<u>272,961</u>

**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	<u>-</u>	<u>1,592</u>
	<u>1,615</u>	<u>8,592</u>

**15. Provisions for liabilities**

	2021	2020
	£	£
Provisions	<u>35,000</u>	<u>35,000</u>
Balance brought forward	35,000	25,000
Amounts provided in the year	-	10,000
Amounts released in the year	<u>-</u>	<u>-</u>
Balance carried forward	<u>35,000</u>	<u>35,000</u>

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

**The Friendly Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2021**

**16. Movement in funds**

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
<b>Unrestricted funds</b>			
General fund	224,869	(17,862)	207,007
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>224,869</u>	<u>(17,862)</u>	<u>207,007</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	516,846	(534,708)	(17,862)
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>516,846</u>	<u>(534,708)</u>	<u>(17,862)</u>

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
<b>Unrestricted funds</b>			
General fund	178,608	46,261	224,869
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>178,608</u>	<u>46,261</u>	<u>224,869</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	523,445	(477,184)	46,261
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>523,445</u>	<u>(477,184)</u>	<u>46,261</u>

**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.

**The Friendly Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31st March 2021**

**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 £
<b>Income and endowments</b>		
<b>Donations and legacies</b>		
Legacies, bequests and donations	1,028	2,201
<b>Investment income</b>		
Deposit account interest	582	1,432
<b>Charitable activities</b>		
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	<u>5,713</u>	<u>5,000</u>
	<u>515,236</u>	<u>519,812</u>
<b>Total incoming resources</b>	516,846	523,445
<b>Expenditure</b>		
<b>Charitable activities</b>		
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 protection	13	13
Legal fees	-	1,256
Printing & Stationary	<u>1,786</u>	<u>2,206</u>
	461,956	420,954
<b>Support costs</b>		
<b>Management</b>		
Exceptional items	10,000	-
<b>Finance</b>		
Wages	55,209	40,281
Social security	<u>3,588</u>	<u>2,109</u>
	58,797	42,390
<b>Information technology</b>		
Repairs and renewals	-	10,000

This page does not form part of the statutory financial statements

**The Friendly Trust**

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

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

This page does not form part of the statutory financial statements