

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 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.

The Friendly Trust
Report of the Trustees
for the Year Ended 31st March 2022

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 refurbished 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.

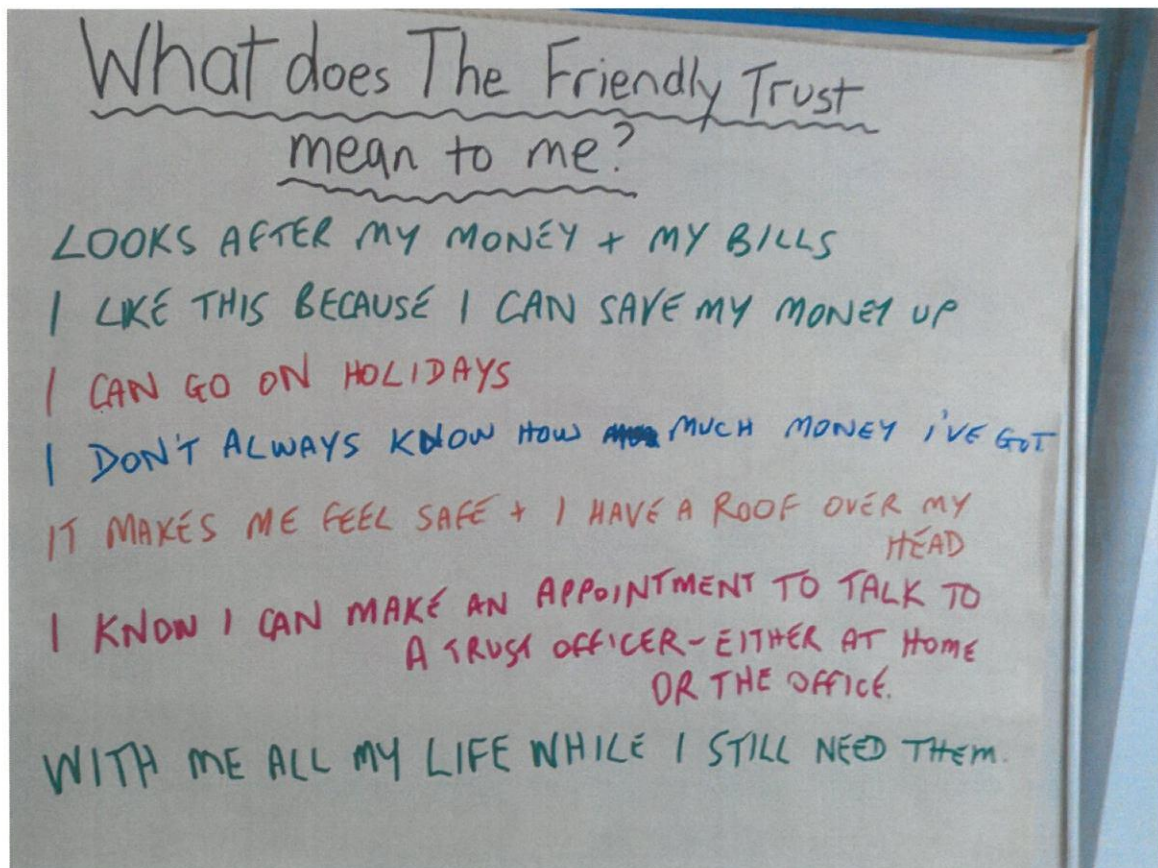
And moving forward to 2022 - 2023 and beyond

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.



The Friendly Trust
Report of the Trustees
for the Year Ended 31st March 2022

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

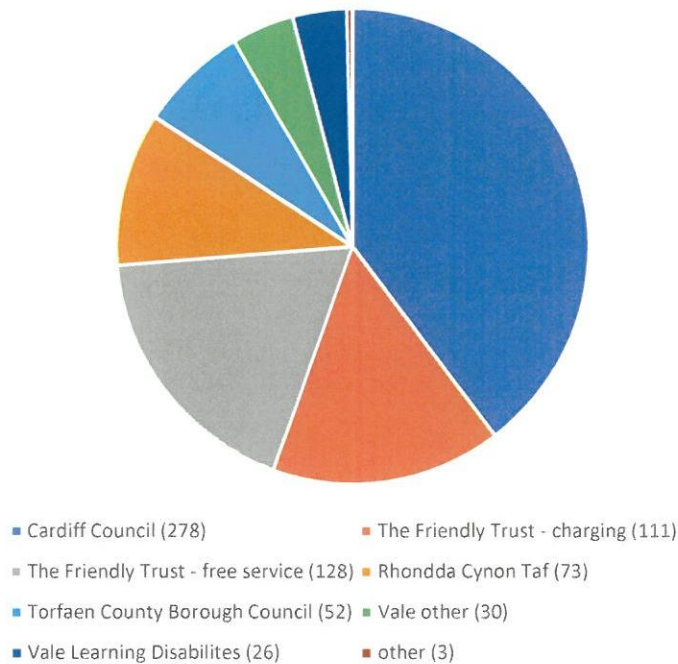
Robert le Surf £10,000

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.

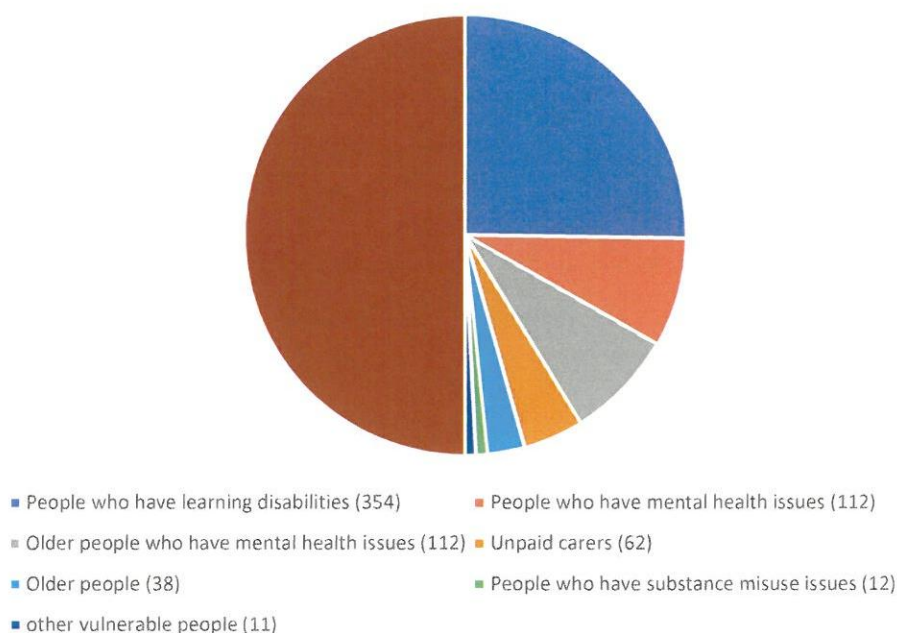
The level of donations has greatly increased our income for the year prompting the trustees to consider ways of expanding the work of the Friendly Trust and to review the reserves policy.

TOTAL 701 REFERRALS by FUNDER



The Friendly Trust
Report of the Trustees
for the Year Ended 31st March 2022

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.

The Friendly Trust
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.

The Friendly Trust
Report of the Trustees
for the Year Ended 31st March 2022

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.

The Friendly Trust
Report of the Trustees
for the Year Ended 31st March 2022

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

The Friendly Trust
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.

The Friendly Trust
Report of the Trustees
for the Year Ended 31st March 2022

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.

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 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.

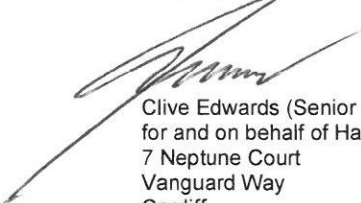
Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularities 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	<u>798</u>	<u>-</u>	<u>798</u>	<u>582</u>
Total		835,429	-	835,429	516,846
Expenditure on					
Charitable activities					
Core services	5	577,668	-	577,668	534,708
NET INCOME/(EXPENDITURE)		<u>257,761</u>	<u>-</u>	<u>257,761</u>	<u>(17,862)</u>
Reconciliation of funds					
Total funds brought forward		<u>207,007</u>	<u>-</u>	<u>207,007</u>	<u>224,869</u>
Total funds carried forward		<u><u>464,768</u></u>	<u><u>-</u></u>	<u><u>464,768</u></u>	<u><u>207,007</u></u>


The notes form part of these financial statements

The Friendly Trust (Registered number: 03608297)


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		<u>206,414</u>	<u>-</u>	<u>206,414</u>	<u>149,367</u>
		663,993	-	663,993	420,513
Creditors					
Amounts falling due within one year	13	(164,225)	-	(164,225)	(178,506)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net current assets		<u>499,768</u>	<u>-</u>	<u>499,768</u>	<u>242,007</u>
Total assets less current liabilities		499,768	-	499,768	242,007
Provisions for liabilities	15	(35,000)	-	(35,000)	(35,000)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS		<u>464,768</u>	<u>-</u>	<u>464,768</u>	<u>207,007</u>
Funds					
Unrestricted funds	16			<u>464,768</u>	<u>207,007</u>
Total funds				<u>464,768</u>	<u>207,007</u>

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



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	<u>233,531</u>	<u>(104,269)</u>
Net cash provided by/(used in) operating activities		<u>233,531</u>	<u>(104,269)</u>
Cash flows from investing activities			
Investments		(177,282)	34,468
Interest received		<u>798</u>	<u>582</u>
Net cash (used in)/provided by investing activities		<u>(176,484)</u>	<u>35,050</u>
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		<u>149,367</u>	<u>218,586</u>
Cash and cash equivalents at the end of the reporting period		<u>206,414</u>	<u>149,367</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 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	<u>233,531</u>	<u>(104,269)</u>	
 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	<u>149,367</u>	<u>57,047</u>	<u>206,414</u>
	<u>149,367</u>	<u>57,047</u>	<u>206,414</u>
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	<u>211,581</u>	<u>177,282</u>	<u>388,863</u>
	<u>211,581</u>	<u>177,282</u>	<u>388,863</u>
Total	<u>360,948</u>	<u>234,329</u>	<u>595,277</u>

The notes form part of these financial statements

The Friendly Trust

Notes to the Financial Statements for the Year Ended 31st March 2022

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.

The Friendly Trust

Notes to the Financial Statements - continued
for the Year Ended 31st March 2022

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	<u>219,331</u>	<u>1,028</u>

3. Investment income

	2022 £	2021 £
Deposit account interest	<u>798</u>	<u>582</u>

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	<u>2,400</u>	<u>-</u>
		<u>615,300</u>	<u>515,236</u>

The Friendly Trust

Notes to the Financial Statements - continued
for the Year Ended 31st March 2022

5. Charitable activities costs

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

6. Support costs

	Finance £	Governance costs £	Totals £
Core services	<u>130,666</u>	<u>4,350</u>	<u>135,016</u>

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	<u>2,650</u>	<u>2,400</u>
	<u>135,016</u>	<u>109,945</u>

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	<u>-</u>	<u>7,000</u>

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.

The Friendly Trust

Notes to the Financial Statements - continued
for the Year Ended 31st March 2022

9. Staff costs

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

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

	2022	2021
Charitable activities	14	15
Support and administration	<u>7</u>	<u>4</u>
	<u>21</u>	<u>19</u>

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	<u>582</u>	<u>-</u>	<u>582</u>
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	<u>207,007</u>	<u>-</u>	<u>207,007</u>

The Friendly Trust

Notes to the Financial Statements - continued
for the Year Ended 31st March 2022

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	<u>6,430</u>	<u>6,430</u>
	<u>68,716</u>	<u>59,565</u>
12. Current asset investments		
	2022	2021
	£	£
Cash held on deposit	<u>388,863</u>	<u>211,581</u>
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	<u>5,850</u>	<u>5,572</u>
	<u>164,225</u>	<u>178,506</u>
14. Leasing agreements		
Minimum lease payments under non-cancellable operating leases fall due as follows:		
	2022	2021
	£	£
Within one year	<u>-</u>	<u>1,615</u>
15. Provisions for liabilities		
	2022	2021
	£	£
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.		
16. Movement in funds		
	At 1.4.21	Net movement
	£	in funds
		£
Unrestricted funds		At
General fund	207,007	31.3.22
		£
	<u>207,007</u>	<u>464,768</u>
TOTAL FUNDS	<u>207,007</u>	<u>464,768</u>

The Friendly Trust

Notes to the Financial Statements - continued
for the Year Ended 31st March 2022

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
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>835,429</u>	<u>(577,668)</u>	<u>257,761</u>

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
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>224,869</u>	<u>(17,862)</u>	<u>207,007</u>

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)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>516,846</u>	<u>(534,708)</u>	<u>(17,862)</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.

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.

The Friendly Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2022**

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.