

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

**Report of the Trustees and
Audited Financial Statements for the Year Ended 31 March 2024
for
The Friendly Trust**

The Friendly Trust

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The Friendly Trust
Report of the Trustees
for the Year Ended 31 March 2024

Introduction

What we do

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

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

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

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

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

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

We believe that vulnerable people:

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

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

Operations and change

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

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

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

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

The Friendly Trust

Report of the Trustees for the Year Ended 31 March 2024

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

Objectives and activities

Objectives and aims

Delivering our charitable objectives

The Friendly Trust is led by a Director who is supported by a Board of Trustees to deliver the current strategic plan (set out below).

The Friendly Trust delivers its day-to-day business via the following primary services:

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

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

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

We continue to work with the following organisations.

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

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

The Friendly Trust
Report of the Trustees
for the Year Ended 31 March 2024

Objectives and activities

Public benefit

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

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

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

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

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

- **Pursue partnership:** we will look for and develop opportunities for joint working with other agencies;
- **Invest in staff:** we will attract, retain and invest in a team of skilled and motivated staff and volunteers, focusing on their professional development and reward;
- **Develop trustees:** we will attract, retain and support the development of a skilled and diverse Board of Trustees;
- **Involve service users:** we will ensure we seek out and listen to the voices of our service users and continuously look for ways to involve them in the work of The Friendly Trust;
- **Offer free services:** we will continue to provide free services to some service users and expand this free service;
- **Grow only when prudent:** we will grow The Friendly Trust in a wise and prudent manner as suitable opportunities present themselves, but never at the risk of compromising our standards of service or our public benefit;
- **Be financially practical:** we will carry on a conversation with our funders each year to make sure we have the reasonable resources we need to deliver the outstanding levels of service we and they expect us to deliver.
- **Develop a sustainable fundraising program:** We have engaged Richard Newton Consulting - a Cardiff based firm with experience in fundraising for the 3rd sector to help us create and deliver a long-term fundraising strategy by building relationships with a number of Trusts and Foundations to secure a valuable and consistent source of additional income,
- **Ensure we work in an environmentally sustainable model:** We are constantly seeking ways in which to decrease the volume of paperwork managed by the charity. We have switched to using electronic application processes where available and will further reduce our requirement for paper bank statement with the implementation of CasparGov. We have introduced a cycle to work scheme for employees and we monitor how our waste is recycled by our waste carrier.

Trustees

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

Strategic report

Financial Review

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

The Friendly Trust
Report of the Trustees
for the Year Ended 31 March 2024

Strategic report

Financial review

Investment policy and objectives

The Friendly Trust is a registered charity which helps vulnerable adults to manage their money.

This investment policy applies to the unrestricted reserves and restricted reserves held by The Friendly Trust. It is not applicable to investments made on behalf of our service users in the role of Appointee, Deputy, Attorney, Executor or Trustee.

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

Investment Objectives

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

Reserves policy

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

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

The Friendly Trust
Report of the Trustees
for the Year Ended 31 March 2024

Strategic report

Risk

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

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

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

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

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

Liquidity Requirements

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

Management, Reporting and Monitoring

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

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

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

Approval and Review

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

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

Structure, governance and management

Structure, Governance and Management Governing Document

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

Organisational structure

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

Financial controls

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

Appointment, induction and training of new trustees

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

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

The Friendly Trust
Report of the Trustees
for the Year Ended 31 March 2024

Reference and administrative details

Registered Company number
03608297 (England and Wales)

Registered Charity number
1084265

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

Trustees

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

Auditors

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

Bankers

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

CAFCASH Limited
PO Box 289
West Malling
Kent
ME19 4TA

Funds held as custodian for others

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

Statement of trustees' responsibilities

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

The Friendly Trust
Report of the Trustees
for the Year Ended 31 March 2024

Statement of trustees' responsibilities - continued

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

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

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

In so far as the trustees are aware:

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

Auditors

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on ...11.12/24..... and signed on the board's behalf by:



.....
Philip Joseph Boshier - Trustee

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

Opinion

We have audited the financial statements of The Friendly Trust (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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 2024

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

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

The notes form part of these financial statements

The Friendly Trust (Registered number: 03608297)

Statement of Financial Position
31 March 2024

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

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


Philip Joseph Boshier - Trustee

The notes form part of these financial statements

The Friendly Trust
Statement of Cash Flows
for the Year Ended 31 March 2024

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

The notes form part of these financial statements

The Friendly Trust

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

1. Reconciliation of net (expenditure)/income to net cash flow from operating activities			
	2024	2023	
	£	£	
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(73,444)	42,381	
Adjustments for:			
Losses on investments	(17,671)	-	
Interest received	(7,407)	(3,010)	
Decrease/(increase) in debtors	4,632	(29,811)	
(Decrease)/increase in creditors	(62,679)	7,087	
Net cash (used in)/provided by operations	<u>(156,569)</u>	<u>16,647</u>	
 2. Analysis of changes in net funds			
	At 1.4.23	Cash flow	At 31.3.24
	£	£	£
Net cash			
Cash at bank and in hand	178,125	(73,613)	104,512
	<u>178,125</u>	<u>(73,613)</u>	<u>104,512</u>
 Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	436,809	(72,878)	363,931
	<u>436,809</u>	<u>(72,878)</u>	<u>363,931</u>
 Total	<u>614,934</u>	<u>(146,491)</u>	<u>468,443</u>

The notes form part of these financial statements

The Friendly Trust

Notes to the Financial Statements for the Year Ended 31 March 2024

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 31 March 2024

1. Accounting policies - continued

Investments

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

Creditors

Creditors are recorded at the value of the identified liability.

2. Donations and legacies

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

3. Investment income

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

4. Income from charitable activities

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

The Friendly Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2024**

5. Charitable activities costs

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

6. Support costs

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

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

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

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

7. Net income/(expenditure)

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

	2024 £	2023 £
Auditors' remuneration	2,119	1,800
Auditors' remuneration for non audit work	3,529	2,999
	<u>5,648</u>	<u>4,799</u>

8. Trustees' remuneration and benefits

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

Trustees' expenses

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

The Friendly Trust

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

9. Staff costs

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

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

	2024	2023
Charitable activities	20	14
Support and administration	5	7
	<u>25</u>	<u>21</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	12,041	-	12,041
Charitable activities			
Core services	710,639	-	710,639
Investment income	3,010	-	3,010
Total	<u>725,690</u>	<u>-</u>	<u>725,690</u>
Expenditure on			
Charitable activities			
Core services	670,245	-	670,245
Net gains/(losses) on investments	(13,064)	-	(13,064)
NET INCOME	42,381	-	42,381
Reconciliation of funds			
Total funds brought forward	537,268	-	537,268
Total funds carried forward	<u>579,649</u>	<u>-</u>	<u>579,649</u>

The Friendly Trust

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

11. Debtors: amounts falling due within one year

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

12. Current asset investments

	2024 £	2023 £
Cash held on deposit	<u>363,931</u>	<u>436,809</u>

13. Creditors: amounts falling due within one year

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

14. Provisions for liabilities

	2024 £	2023 £
Provisions	<u>20,000</u>	<u>35,000</u>
Balance brought forward	35,000	25,000
Amounts provided in the year		10,000
Amounts released in the year	(15,000)	-
Balance carried forward	<u>20,000</u>	<u>35,000</u>

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

15. Movement in funds

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

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

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

The Friendly Trust

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

15. Movement in funds - continued

Comparatives for movement in funds

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

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

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

16. Employee benefit obligations

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

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

17. Related party disclosures

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

18. Managed funds

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

19. Members' liability

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

The Friendly Trust

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

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

This page does not form part of the statutory financial statements

The Friendly Trust

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

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

This page does not form part of the statutory financial statements

