

**Charity Registration No. 1127106**

**Company Registration No. 06458819 (England and Wales)**

**FRIENDS FOR DEVELOPMENT**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

# FRIENDS FOR DEVELOPMENT

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	T South M Jessani S Jessani	(Appointed 1 December 2020)
<b>Secretary</b>	T South	
<b>Charity number</b>	1127106	
<b>Company number</b>	06458819	
<b>Registered office</b>	C/O MCAK & CO No 15 First Floor Princeton Mews 167-169 London Road Kingston Upon Thames Surrey KT2 6PT	
<b>Independent examiner</b>	FLS Accounting Solutions Limited T/A SP Vinshaw 36 The Metro Centre Dwight Road Watford WD18 9SB	

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# FRIENDS FOR DEVELOPMENT

## CONTENTS

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	<b>Page</b>
Trustees' report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5
Notes to the financial statements	6 - 13

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# FRIENDS FOR DEVELOPMENT

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

#### Objectives and activities

The charity was set up for such purpose that are charitable according to the law of England and Wales for the benefit of the public, in particular but, not exclusively through the provision of grants for education.

The trustees have paid due regard to public benefit guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### Achievements and performance

The charity received majority of its funding from income arising from rental of its Long Leasehold Property.

During the year the charity provided grants to charities to fight hunger and tackle food waste across the United Kingdom.

#### Financial review

The detailed results are shown on page 4.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

#### Structure, governance and management

The charity was incorporated on 21 December 2007 as a private company limited by guarantee and is governed by its Memorandum and Articles of Association. It is also registered as a charity in England and Wales with registration number 1127106.

The principal address is C/O MCAK & Co, No 15 First Floor, Princeton Mews, 167-169 London Road, Kingston Upon Thames, Surrey, KT2 6PT.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

T South

M Jessani

N Jesani

S Jessani

(Deceased 30 November 2020)

(Appointed 1 December 2020)

The Charity's Trustees are also Directors for the purposes of Company Law. The Board has the power to appoint additional trustees as it considers fit to do so.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

# **FRIENDS FOR DEVELOPMENT**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2020**

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The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

### **Funds held as custodian trustee**

There are no funds held as custodian trustee on behalf of others.

The trustees' report was approved by the Board of Trustees.

**T South**

Trustee

Dated: 8 September 2021

**M Jessani**

Trustee

Dated: 8 September 2021

# **FRIENDS FOR DEVELOPMENT**

## **INDEPENDENT EXAMINER'S REPORT**

### **TO THE TRUSTEES OF FRIENDS FOR DEVELOPMENT**

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I report to the trustees on my examination of the financial statements of Friends for Development (the charity) for the year ended 31 December 2020.

#### **Responsibilities and basis of report**

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Sadikali Gulamabas Premji (FCCA)  
FLS Accounting Solutions Limited T/A SP Vinshaw

36 The Metro Centre  
Dwight Road  
Watford  
WD18 9SB

Dated: 8 September 2021

# FRIENDS FOR DEVELOPMENT

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<b><u>Income from:</u></b>			
Donations and legacies	3	550	-
Investments	4	25,682	24,945
<b>Total income</b>		<u>26,232</u>	<u>24,945</u>
<b><u>Expenditure on:</u></b>			
Charitable activities	5	<u>7,238</u>	<u>25,283</u>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		18,994	(338)
Fund balances at 1 January 2020		<u>854,033</u>	<u>854,371</u>
<b>Fund balances at 31 December 2020</b>		<u><u>873,027</u></u>	<u><u>854,033</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# FRIENDS FOR DEVELOPMENT

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Investment properties	10		800,000		800,000
<b>Current assets</b>					
Debtors	11	70		70	
Cash at bank and in hand		75,867		56,873	
		<u>75,937</u>		<u>56,943</u>	
<b>Creditors: amounts falling due within one year</b>	12	(2,910)		(2,910)	
Net current assets			73,027		54,033
<b>Total assets less current liabilities</b>			<u>873,027</u>		<u>854,033</u>
<b>Income funds</b>					
<u>Unrestricted funds</u>					
General unrestricted funds		324,663		305,669	
Revaluation reserve		<u>548,364</u>		<u>548,364</u>	
			873,027		854,033
			<u>873,027</u>		<u>854,033</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 8 September 2021

T South  
Trustee

M Jessani  
Trustee

Company Registration No. 06458819



# FRIENDS FOR DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Charity information

Friends for Development is a private company limited by guarantee incorporated in England and Wales. The registered office is C/O MCAK & CO, No 15 First Floor Princeton Mews, 167-169 London Road, Kingston Upon Thames, Surrey, KT2 6PT.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# FRIENDS FOR DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### 1.5 Expenditure

Expenses are accounted for on an accruals basis.

Direct charitable expenditure includes all expenditure incurred in relation to funding receivable in pursuance of the charity's objectives.

Other costs incurred in support of these activities are separately analysed and shown as management and administration costs.

##### 1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

##### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# FRIENDS FOR DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	Unrestricted funds	Total
	2020 £	2019 £
Donations and gifts	550	-

### 4 Investments

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Rental income	24,930	24,420
Interest receivable	752	525
	25,682	24,945

# FRIENDS FOR DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 5 Charitable activities

	Charitable Expenditure 2020 £	Charitable Expenditure 2019 £
Grant funding of activities (see note 6)	3,925	23,137
Share of support costs (see note 7)	2,713	1,546
Share of governance costs (see note 7)	600	600
	<u>7,238</u>	<u>25,283</u>

### 6 Grants payable

	Charitable Expenditure 2020 £	Charitable Expenditure 2019 £
Grants to institutions:		
Grants to other charities	3,925	119
Grants to community sports club	-	23,018
	<u>3,925</u>	<u>23,137</u>

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### 7 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Repairs and maintenance	1,061	-	1,061	-	-	-
Service charges	1,157	-	1,157	1,045	-	1,045
Insurance	490	-	490	481	-	481
Bank charges	5	-	5	20	-	20
Accountancy fees	-	600	600	-	600	600
	<u>2,713</u>	<u>600</u>	<u>3,313</u>	<u>1,546</u>	<u>600</u>	<u>2,146</u>
Analysed between Charitable activities	<u>2,713</u>	<u>600</u>	<u>3,313</u>	<u>1,546</u>	<u>600</u>	<u>2,146</u>

# FRIENDS FOR DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 9 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Total	-	-

### 10 Investment property

	2020 £
<b>Fair value</b>	
At 1 January 2020 and 31 December 2020	800,000

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 December 2020 by the Trustees. The valuation was made on an open market value basis by reference to rental yields and market conditions.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2020 £	2019 £
Cost	251,636	251,636
Accumulated depreciation	(62,660)	(57,619)
Carrying amount	188,976	194,017

### 11 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	70	70

# FRIENDS FOR DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 12 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	2,310	2,310
Accruals and deferred income	600	600
	<u>2,910</u>	<u>2,910</u>

# FRIENDS FOR DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

### 13 Unrestricted Funds - Reconciliation

These are unrestricted funds which are material to the charity's activities made up as follows:

	Movement in funds				Movement in funds			
	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 31 December 2020
	£	£	£	£	£	£	£	£
Unrestricted funds	854,371	24,945	(25,283)	-	854,033	26,232	(7,238)	873,027

# **FRIENDS FOR DEVELOPMENT**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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### **14 Events after the reporting date**

The current Covid-19 pandemic occurred during the year and continues subsequent to the charity's yearend. The trustees have carefully considered the likely effect of the Covid-19 pandemic on the future performance of the charity and consider that it is likely to have a limited impact on its activities. However, the trustees consider that the charity has sufficient resources to enable it to remain in business for the foreseeable future.

### **15 Related party transactions**

There were no disclosable related party transactions during the year (2019 - none).