

FRIENDS FOR DEVELOPMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Recruitment and appointment of trustees

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.

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 M Jessani **Trustee** **Trustee**

20 June 2024

FRIENDS FOR DEVELOPMENT

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FRIENDS FOR DEVELOPMENT

I report to the trustees on my examination of the financial statements of Friends for Development (the charity) for the year ended 31 December 2023.

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)
Primera Accountants Limited

First Floor Spitalfields House
Stirling Way
Borehamwood
WD6 2FX

Dated: 20 June 2024

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

Unrestricted funds	Unrestricted funds
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FRIENDS FOR DEVELOPMENT

		<u>27,303</u>	
		<u>9,803</u>	
		2023	2022
	Notes	£	£
Income from:			
Donations and legacies	3	18	5
Investments	4	27,285	23,605
Total income			
			<u>516,321</u>
Charitable activities			
Net income and movement in funds		17,500	<u>7,289</u>
Reconciliation of funds:			
Fund balances at 1 January 2023		<u>878,414</u>	<u>871,125</u>
Fund balances at 31 December 2023		<u><u>895,914</u></u>	<u><u>878,414</u></u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

FRIENDS FOR DEVELOPMENT

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Investment property	11		800,000		800,000
Current assets					
Debtors	12	2,139		69	
Cash at bank and in hand		99,533		87,316	
			101,672		87,385
Creditors: amounts falling due within one year	13				
		5,758		8,971	
Net current assets			95,914		78,414
			895,914		878,414
Total assets less current liabilities					
The funds of the charity					
Unrestricted funds - general			347,550		330,050
Revaluation reserve			548,364		548,364
			895,914		878,414

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 2023.

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 20 June 2024

T South S Jessani **Trustee** **Trustee**

Company registration number 06458819 (England and Wales)

FRIENDS FOR DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 or grantors 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 2023

1	Accounting policies	(Continued)
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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 property

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.

Derecognition of financial liabilities

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

FRIENDS FOR DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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 Income from donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	18	5

4 Income from investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Rental income	25,635	23,475
Interest receivable	1,650	130
	27,285	23,605

5 Expenditure on charitable activities

	Charitable expenditure	Charitable expenditure
	2023	2022
	£	£
Direct costs		

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Grant funding of activities (see note 6)	5,163	10,794
Share of support and governance costs (see note 7)		
Support	4,040	4,927
Governance	600	600
	<u>9,803</u>	<u>16,321</u>
Analysis by fund		
Unrestricted funds	9,803	16,321
	<u>9,803</u>	<u>16,321</u>
6 Grants payable		
	Charitable expenditure 2023	Charitable expenditure 2023
	£	£
Grants to institutions:		
Grants to other charities	5,163	10,794
	<u>5,163</u>	<u>10,794</u>
-		
7 Support costs allocated to activities	2023	2022
	£	£
Repairs and maintenance	1,277	1,256
Service charges	1,317	1,390
Insurance	756	628
Agents fees	690	1,653
Governance costs	600	600
	<u>4,640</u>	<u>5,527</u>
Analysed between:		
Charitable expenditure	4,640	5,527
	<u>4,640</u>	<u>5,527</u>

FRIENDS FOR DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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:

	2023 Number	2022 Number
Total	-	-
	=====	=====

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

No remuneration has been made to key management personnel during the year or in the previous year.

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Investment property 2023 £ Fair value

At 1 January 2023 and 31 December 2023	800,000
	=====

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 December 2023 by the Trustees. The valuation was made on an open market value basis by reference to rental yields and market conditions.

12 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Prepayments and accrued income	2,139	69
	=====	=====

13 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other creditors	2,763	2,221

FRIENDS FOR DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Accruals and deferred income	2,995	6,750
	<u>5,758</u>	<u>8,971</u>

14 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023 £	Incoming resources £	Resources expended £	At 31 December 2023 £
General funds	878,414	27,303	(9,803)	895,914
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 January 2022 £	Incoming resources £	Resources expended £	At 31 December 2022 £
General funds	871,125	23,610	(16,321)	878,414
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

15 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).