

Company registration number: 06706212

Charity registration number: 1135828

The Friendship Circle (UK)

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2023

Gordon Levy BA, FCA
Chartered Accountant
Gordon Levy Limited
Suite 5, 4th Floor
3 Universal Square
Devonshire Street North
Manchester, M12 6JH

The Friendship Circle (UK)

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The Friendship Circle (UK)

Reference and Administrative Details

Trustees	Mrs Mireille Lyons (resigned 31 December 2023) Rabbi Anthony Joel Jaffe Rabbi David Jaffe Mr Philip Pink Mr Timothy Dempsey Mr Jeremy Coleman (appointed 1 September 2023) Mrs Ziona Handler (appointed 1 September 2023)
Secretary	
Principal Office	72 Singleton Road Salford M7 4LU
Registered Office	Suite 5, 4th Floor 3 Universal Square Devonshire Street North Manchester M12 6JH
Company Registration Number	06706212
Charity Registration Number	1135828
Bankers	Royal Bank of Scotland ALTRINCHAM Bolton Customer Service Centre PO Box 2027 Parklands De Havilland Way Horwich BL6 4YU
Independent Examiner	Gordon Levy BA, FCA Chartered Accountant Gordon Levy Limited Suite 5, 4th Floor 3 Universal Square Devonshire Street North Manchester, M12 6JH

The Friendship Circle (UK)

Trustees' Report

The trustees, who are directors or company secretary for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2023.

Reference and administrative details

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

Trustees

The trustees who served the charity during the period were as follows:

Mrs Mireille Lyons (resigned 31 December 2023)

Rabbi Anthony Joel Jaffe

Rabbi David Jaffe

Mr Philip Pink

Mr Timothy Dempsey

Mr Jeremy Coleman (appointed 1 September 2023)

Mrs Ziona Handler (appointed 1 September 2023)

Structure, governance and management

Nature of governing document

Memorandum and Articles of Association incorporated 24 September 2008 as amended by special resolution registered at Companies House on 12 February 2012.

Recruitment and appointment of trustees

Appointment by Trustees

Organisational structure

Company limited by guarantee

The Friendship Circle (UK)

Trustees' Report

Chief Executive Officer Statement

In 2023, we celebrated our 15th Anniversary with the theme "15 Years of Friendship" running through all activities, culminating in a successful Fundraising Dinner in November.

The organisation has maintained its growth trajectory, with membership rising to 174 and volunteers to 160. Engagement has also increased, reaching 5,443 individual member attendances and 12,000 volunteering hours in 2023. We continue to enhance the lives of our members, change perceptions, and create a more inclusive community.

Our successful Partnership with Synagogues program expanded to new communities, promoting integration and inclusivity by creating opportunities for our members to actively participate in synagogue life.

We expanded our provision for teenagers with a new teen club tailored to the needs of girls aged 13 to 18.

The organisation's governance was strengthened with the addition of two trustees, bringing valuable skills and experience to the board.

At the end of 2022, we faced operational challenges due to inadequate space. This was resolved in 2023 by moving to new premises better suited to our needs, offering on-site programming space and adequate office space, creating a better working environment and optimising service delivery.

To address ongoing expansion and growth, we also added two new members to our programme team, enhancing our ability to deliver programs sustainably. In 2024, we plan to continue this growth by expanding our operational and fundraising teams and considering outsourcing certain functions, with HR being a key area for potential external support.

Our goal for 2024 is to build on our success with steady, sustainable growth.

Objectives and activities

Objects and aims

Summary of the Objects of the Charity as set out in the governing document

Object 1

To promote, for the benefit of the inhabitants of Greater Manchester and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Object 2

To promote general charitable purposes for the benefit of the community of Greater Manchester and the surrounding area, and to provide relief from financial hardship and social and/or economic disadvantage and to advance the education of its residents of all ages and in particular to provide opportunities for the aforementioned residents to participate fully in the life of the community in ways which address and alleviate social and economic disadvantage.

The Friendship Circle (UK)

Trustees' Report

Objectives, strategies and activities

Summary of the main activities in relation to these objects

'The Friendship Circle provides recreational and educational programmes and activities for people who are isolated from the community due to their infirmity and disablement.

We work closely with the residential care organisations in the Greater Manchester area to fill any gaps they may have from a social and cultural perspective, as well as supporting families in the community and individuals.

Our programmes can be categorised into:

Sport, Fitness and Wellbeing - a fully inclusive physical activity programme enabling our members to get active and improve their health and wellbeing.

Social and Recreational - Fun days and nights out for our members to look forward to.

Skills and Hobbies - a holistic programme to help our members to find meaning and purpose and allow them to express thoughts and feelings they find difficult to put into words.

Jewish Life and Observance - ensuring our members are able to fully participate in communal and religious life.

Disability Education - inspiring children to see beyond disability and become more accepting.

Teen Provision - A weekly boys and girls teen club which provides a social and safe space for teenage boys and girls with disabilities to try new activities, have fun and form friendships.

One to One Buddy Programme - pairs members who may be less confident in a group setting to community volunteers to develop a meaning friendship on a one-to-one level.

Employment - to help our members gain the necessary skills to enter the workplace and overcome any barriers they might face finding a job.

Volunteering Programme - to enhance the ongoing growth and development of our volunteers.

Advocacy - to encourage our members to advocate for themselves and have a "voice" in society

Emotional and Practical Support - helping our members to navigate their daily lives and mental health needs.

All our programmes are designed to help our members, find meaning and purpose, gain confidence, learn new skills as well as make new friends and have fun. We are continually diversifying our offering to suit different tastes and interests.

Volunteers are fundamental to the work we do, allowing our members to extend their social networks and integrate into the community.

The Friendship Circle (UK)

Trustees' Report

Summary of the main achievements of the charity

Programmes

2023 marked a significant turning point for The Friendship Circle. After an extensive search for suitable premises, the charity relocated its offices to the communal building owned by Bnei Akiva on Singleton Road. This building is ideally situated for our beneficiaries, providing ample office space and an on-site hall for programming. This move has greatly enhanced team efficiency by eliminating the need to shift between venues, saving time, energy, and reducing stress levels.

We continue to foster productive partnerships with residential organizations within the community, including Langdon, Brookvale, Outreach, and The Focus Foundation, supporting their residents from both social and integrational perspective. Many other members, who receive little or no help elsewhere, are now coming through our doors.

Our membership has seen steady growth, with nine new joiners in 2023. Attendance at activities and the frequency of participation have increased, particularly for our day trips and weekly daytime drop-ins. Of our 174 members, half attend activities twice a week, and one-third attend over four times a week, reinforcing their reliance on our services.

The demand for practical and emotional support has risen, especially among new members not associated with any other care organization. Our program team is committed to addressing the mental health needs of our members. We work closely with The Fed, Paperweight, Jewish Action for Mental Health, and local counsellors to provide appropriate support, whether it be advice on benefits and finances or one-on-one counselling.

Volunteers remain crucial to our service provision, with 160 volunteers, aged between 16 and 75, supporting our activities and programs. This year, 44 new volunteers joined The Friendship Circle Community, a record number, primarily through word of mouth, highlighting our strong local presence. Shifting our focus from teenage volunteers to a broader volunteer base has significantly improved retention. Many new volunteers are over 50, finding a renewed sense of meaning and purpose through their involvement.

The quality and support provided by our volunteers have also improved, enhancing the excellence of our services. Many volunteers go above and beyond, working on their own initiative to offer the necessary support and care needed.

This year, our programme director visited three schools—King David Junior School, Broughton Jewish, and Bury and Whitefield—to deliver our Disability Education Programme. The programme challenges stereotypes about disability, promotes accessibility, and encourages inclusion. Feedback from students, parents, and teachers has been overwhelmingly positive, with all teachers believing the objectives were met.

A highlight of the year was our inaugural international trip to Lisbon, where our “all abilities” football team, The Maccabi Thunders, participated in the Special Champions League Football Tournament. This groundbreaking event promoted greater social inclusion within European football for people with disabilities.

We have also introduced a Hebrew reading course, which has been well received by its 15 regular attendees, many of whom wish to participate in Jewish communal life but don't know how.

A new staff member has been recruited to expand the “Girls' teen club,” officially launched in the last quarter of the year. This club follows a similar model to the thriving Boys' teen club.

Our collaborative work with synagogues continued into 2023. The “Shabbat Together” initiative, rolled out at Heaton Park Synagogue, promotes a more inclusive culture within the synagogue setting. Plans are underway to coordinate similar initiatives with other local synagogues.

The Friendship Circle (UK)

Trustees' Report

Our impact survey, completed by 50 members, provided overwhelmingly positive feedback on our services. 87% reported feeling significantly less lonely since joining the programme, and at least 98% noted significant improvements in their mental health and confidence.

Finance

Despite the challenging economic climate, the charity began the year in a secure financial position, bringing in nearly £445,000 of income, a considerable increase from the previous year, and holding cash reserves of £252,000.

A significant boost to our income came from the successful "Be Beautiful Be Yourself" inclusive fashion show, which raised over £75,000 in November.

The theme of "15 Years of Friendship" was central to all our fundraising initiatives. We engaged local schools, shuls, and businesses in various activities to support our efforts, culminating in a highly successful fundraising dinner attended by over 600 loyal donors, patrons, and volunteers. The dinner provided excellent exposure for the charity, receiving fantastic feedback from all attendees.

Throughout this 12-month financial period, we focused on strengthening relationships with long-standing donors. Trustees have been encouraged by their increasing allegiance and loyalty. Our patron scheme continues to provide long-term sustainability, with pledged regular income increasing year on year.

Expenditure on charitable activities rose by £57,000 to £479,000. Key factors included the relocation and fit-out of our new "fit-for-purpose" premises and investments in expanding our program staffing team to better support our services and alleviate pressure on existing staff. Reassuringly, we have managed to maintain and increase voluntary income in line with this expenditure growth.

Expenditure is expected to rise again in 2024. Nonetheless, the trustees remain vigilant given the unpredictable economic environment. They are persistently balancing the escalating costs and economic challenges with the expanding needs of the charity.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

Volunteers continue to be key to service provision and as many as 150 volunteers, aged between 16 and 75, are supporting the activities and programmes. 31 new volunteers have joined The Friendship Circle Community with a steady increase of volunteers over the age of 50, giving them a new sense of purpose and meaning.

Policy on reserves

Historically our aim has always been to hold 3 months reserves in our general funds to cover at least three months expenditure, but we are now looking to build those reserves to 6 months due to the erratic economic climate. This will provide the level of confidence we need to ensure that we are able to continue with the provision of our regular weekly programmes and cover our staffing and volunteer expenses and office costs. It will also allow for the growth of the charity.

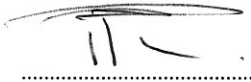
Reappointment of independent examiner

Gordon Levy, Chartered Accountant has been re-appointed as independent examiner for the ensuing year.

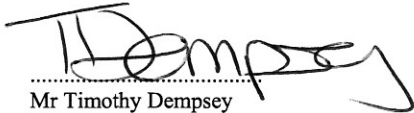
The Friendship Circle (UK)

Trustees' Report

The annual report was approved by the trustees of the charity on 12 September 2024 and signed on its behalf by:



.....
Mr Philip Pink
Trustee



.....
Mr Timothy Dempsey
Trustee

The Friendship Circle (UK)

Statement of Trustees' Responsibilities

The trustees (who are also the directors of The Friendship Circle (UK) for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

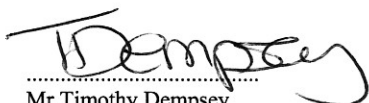
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

Approved by the trustees of the charity on 12 September 2024 and signed on its behalf by:



.....
Mr Philip Pink
Trustee



.....
Mr Timothy Dempsey
Trustee

The Friendship Circle (UK)

Independent Examiner's Report to the trustees of The Friendship Circle (UK)

I report on the accounts of the charity for the year ended 31 December 2023 which are set out on pages 10 to 19.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Gordon Levy BA, FCA
Chartered Accountant
ICAEW

Gordon Levy Limited
Suite 5, 4th Floor
3 Universal Square
Devonshire Street North
Manchester, M12 6JH

12 September 2024

The Friendship Circle (UK)

**Statement of Financial Activities for the Year Ended 31 December 2023
(Including Income and Expenditure Account and Statement of Total Recognised Gains
and Losses)**

	Note	Unrestricted funds £	Total 2023 £
Income and Endowments from:			
Donations and legacies	3	409,128	409,128
Investment income	4	2,440	2,440
Other income	5	33,259	33,259
Total Income		<u>444,827</u>	<u>444,827</u>
Expenditure on:			
Charitable activities	6	<u>(478,907)</u>	<u>(478,907)</u>
Total Expenditure		<u>(478,907)</u>	<u>(478,907)</u>
Net expenditure		<u>(34,080)</u>	<u>(34,080)</u>
Net movement in funds		(34,080)	(34,080)
Reconciliation of funds			
Total funds brought forward		<u>286,247</u>	<u>286,247</u>
Total funds carried forward	11	<u>252,167</u>	<u>252,167</u>
	Note	Unrestricted funds £	Total 2022 £
Income and Endowments from:			
Donations and legacies	3	374,463	374,463
Investment income	4	641	641
Other income	5	18,597	18,597
Total Income		<u>393,701</u>	<u>393,701</u>
Expenditure on:			
Charitable activities	6	<u>(421,855)</u>	<u>(421,855)</u>
Total Expenditure		<u>(421,855)</u>	<u>(421,855)</u>
Net expenditure		<u>(28,154)</u>	<u>(28,154)</u>
Net movement in funds		(28,154)	(28,154)
Reconciliation of funds			
Total funds brought forward		<u>314,401</u>	<u>314,401</u>
Total funds carried forward	11	<u>286,247</u>	<u>286,247</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown is shown in note 11.

The Friendship Circle (UK)
(Registration number: 06706212)
Balance Sheet as at 31 December 2023

	Note	2023 £	2022 £
Current assets			
Cash at bank and in hand		252,167	321,894
Creditors: Amounts falling due within one year	9	<u>-</u>	<u>(9,869)</u>
Total assets less current liabilities		252,167	312,025
Creditors: Amounts falling due after more than one year	10	<u>-</u>	<u>(25,778)</u>
Net assets		<u>252,167</u>	<u>286,247</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>252,167</u>	<u>286,247</u>
Total funds	11	<u>252,167</u>	<u>286,247</u>

For the financial year ending 31 December 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

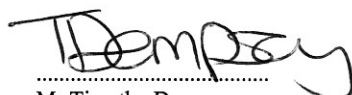
- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 10 to 19 were approved by the trustees, and authorised for issue on 12 September 2024 and signed on their behalf by:



.....
Mr Philip Pink
Trustee



.....
Mr Timothy Dempsey
Trustee

The Friendship Circle (UK)

Notes to the Financial Statements for the Year Ended 31 December 2023

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The Friendship Circle (UK) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

The Friendship Circle (UK)

Notes to the Financial Statements for the Year Ended 31 December 2023

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

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.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

The Friendship Circle (UK)

Notes to the Financial Statements for the Year Ended 31 December 2023

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

The Friendship Circle (UK)

Notes to the Financial Statements for the Year Ended 31 December 2023

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

The Friendship Circle (UK)

Notes to the Financial Statements for the Year Ended 31 December 2023

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds		
	General £	Total 2023 £	Total 2022 £
Donations and legacies;			
Donations	370,588	370,588	286,908
Gift aid reclaimed	28,242	28,242	53,140
Grants, including capital grants;			
Grants from other charities	10,298	10,298	34,415
	<u>409,128</u>	<u>409,128</u>	<u>374,463</u>

4 Investment income

	Unrestricted funds		
	General £	Total 2023 £	Total 2022 £
Interest receivable and similar income;			
Interest receivable on bank deposits	2,440	2,440	641
	<u>2,440</u>	<u>2,440</u>	<u>641</u>

The Friendship Circle (UK)

Notes to the Financial Statements for the Year Ended 31 December 2023

5 Other income

	Unrestricted funds	Total 2023	Total 2022
	General £	£	£
Programme income	15,062	15,062	7,026
Recharges	18,197	18,197	11,571
	<u>33,259</u>	<u>33,259</u>	<u>18,597</u>

6 Expenditure on charitable activities

	Unrestricted funds	Total 2023	Total 2022
	General £	£	£
Activities undertaken directly	446,329	446,329	421,855
Allocated support costs	32,578	32,578	-
	<u>478,907</u>	<u>478,907</u>	<u>421,855</u>
	Activity undertaken directly £	Total 2023 £	Total 2022 £
Wages & salaries	277,374	277,374	274,648
Staff training	3,829	3,829	3,167
Rent & rates	13,900	13,900	11,600
Utilities	6,209	6,209	3,962
Office expenses	8,838	8,838	3,214
Office relocation expenses	14,159	14,159	-
Computer & IT	500	500	8,445
Insurance	3,390	3,390	1,544
Printing, postage & delivery	2,872	2,872	1,422
Fundraising & marketing	34,001	34,001	38,079
Bank charges	479	479	464
Programme expenses	98,081	98,081	66,068
Loan interest	785	785	1,016
Professional fees & consultancy	14,490	14,490	8,226
	<u>478,907</u>	<u>478,907</u>	<u>421,855</u>

Included in Wages & salaries are wages and salaries relating to Programme expenses.

The Friendship Circle (UK)

Notes to the Financial Statements for the Year Ended 31 December 2023

7 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

Mrs Mireille Lyons

Mrs Mireille Lyons received remuneration of £36,800 (2022: £39,694) during the year.

Mrs Lyons received the above mentioned remuneration in her capacity as head of fund raising and operations of the charity.

The remuneration was paid under the power in the Charities Act 2011.

8 Staff costs

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Total employees	<u>9</u>	<u>8</u>

No employee received emoluments of more than £60,000 during the year.

9 Creditors: amounts falling due within one year

	2023 £	2022 £
Other loans	<u>-</u>	<u>9,869</u>

10 Creditors: amounts falling due after one year

	2023 £	2022 £
Other loans	<u>-</u>	<u>25,778</u>

The Friendship Circle (UK)

Notes to the Financial Statements for the Year Ended 31 December 2023

11 Funds

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Balance at 31 December 2023 £
Unrestricted funds				
General	<u>(286,247)</u>	<u>(444,827)</u>	<u>478,907</u>	<u>(252,167)</u>
	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Balance at 31 December 2022 £
Unrestricted funds				
General	<u>(314,401)</u>	<u>(393,701)</u>	<u>421,855</u>	<u>(286,247)</u>

12 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Current assets	<u>252,167</u>	<u>252,167</u>

13 Analysis of net funds

	At 1 January 2023 £	Cash flow £	At 31 December 2023 £
Cash at bank and in hand	321,894	(69,727)	252,167
Net debt	<u>321,894</u>	<u>(69,727)</u>	<u>252,167</u>