

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 2024

The Friendship Circle (UK)

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The Friendship Circle (UK)

Reference and Administrative Details

Trustees	Rabbi Anthony Joel Jaffe Rabbi David Jaffe Mr Philip Pink Mr Timothy Dempsey Mr Jeremy Coleman Mrs Ziona Handler
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 2024.

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:

Rabbi Anthony Joel Jaffe

Rabbi David Jaffe

Mr Philip Pink

Mr Timothy Dempsey

Mr Jeremy Coleman

Mrs Ziona Handler

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

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

Mission Statement

The Friendship Circle's mission is to:

Enhance the lives of Jewish People with Disabilities through empowering, encouraging and facilitating:

- Friendship
- Social inclusion, a sense of belonging & integration into the community
- Engagement with Jewish life and practice
- Maximising their contribution to society
- Access to opportunity

This is achieved through providing opportunities in:

- Sport, fitness, health and wellbeing
- Social & recreational
- Skills & hobbies
- Self- advocacy
- Teen provision
- Jewish life & observance
- Community integration
- One to one buddy programme
- Emotional and practical support
- Volunteering
- Disability education
- Employment

Demographics

The Friendship Circle provides support to children and adults with mild to moderate learning disabilities, including conditions such as Down Syndrome, Autism, and physical disabilities like cerebral palsy.

Currently, we have 183 members who benefit from our programmes. Geographically, 56% of our members reside in Prestwich, 8% in Whitefield/Bury, 28% in Salford/Crumpsall, with the remaining members living in other areas of Manchester.

Our members' ages range from 7 to 88 years, with the largest age group being between 26 and 50, representing 50% of our beneficiaries. The remaining members are evenly distributed across three age categories: children (0-18), post-teens (19-25), and individuals aged 51 and over.

The Friendship Circle (UK)

Trustees' Report

Chief Executive Officer Statement

This year the charity has concentrated on strengthening our core services, expanding our reach, and maintaining financial stability in a challenging economic environment.

Weekly activities, creative classes, fitness sessions, and inclusive outings have grown in variety and have seen increased participation and engagement. The launch of the Girls Teen Club, expansion of our Disability Education Programme, and the success of our first Open Mic Night have further empowered our members and raised community awareness.

We have taken deliberate steps to strengthen operations by recruiting new staff into the programme team as well as outsourcing our HR function. These changes allow the team to focus more fully on service delivery while ensuring we remain compliant and well managed.

Jewish life continues to be a key part of our programme, with consistent activities around Shabbat and Yom Tov, synagogue partnerships, and home-based support for members unable to attend in person. Our efforts to build community connections and reduce isolation remain a high priority.

On the financial side, we have maintained a stable position while managing rising costs. The success of our match-funded crowdfunding campaign was a major achievement, significantly increasing both income and donor engagement. We continue to plan carefully for the year ahead, especially in light of expected cost increases, coupled with a challenging fundraising climate.

Looking forward, we will relaunch our Employment Scheme with a more targeted approach, further expand our teen provision, and deliver a landmark Birthright volunteering trip to Israel, all reinforcing our ongoing commitment to providing meaningful, life affirming opportunities for our members.

I extend my deepest thanks to our staff, volunteers, donors, and trustees. Your collective support continues to make The Friendship Circle a truly transformative force.

The Friendship Circle (UK)

Trustees' Report

Programme Update

The focus of The Friendship Circle's programme team this year has been on fostering organic growth and ensuring the sustainability of our services. To strengthen our team and further support our operations, we welcomed two new staff members at the end of last year. These additions have already proven invaluable in enhancing our capacity to deliver our wide-ranging activities.

Programme Overview

Our weekly activities and classes are carefully designed to cater to diverse interests and tastes, ensuring broad appeal across our membership base. These activities span a variety of areas, from arts and creative writing to fitness-focused programmes, such as football, dance, and yoga. Among these, our arts-based classes (art, singing, and creative writing) have proven to be the most popular, with an average attendance of 16 members per session.

The team continuously faces the challenge of keeping members engaged, and we are committed to refreshing our offerings regularly to maintain interest. This year, we introduced exciting activities such as Beekeeping and Axe Throwing, which have been well received by participants. Parties and outings are well loved, attracting 50 members or more.

Approximately 40% of our members attend weekly, with a dedicated group of individuals attending at least three times a week. For many of these members, The Friendship Circle provides a much-needed sense of purpose and direction. Engagement has notably increased this year as we encourage our members to step out of their comfort zones, take on new challenges, and embrace personal growth, all of which foster greater self-confidence.

Key Achievements

Girls Teen Club: Building on the success of the Boys Teen Club, which began in 2018, we launched the Girls Teen Club in 2023. This initiative has successfully brought together young girls with disabilities and their peers, offering a platform for social interaction, personal development, and friendship. The weekly sessions, which currently cater to 12 girls, have been well-received by both the participants and their families, with parents reporting significant improvements in their daughters' confidence and well-being.

Disability Education in Schools Programme: This initiative continues to thrive within Manchester's Jewish Primary Schools. With five schools now participating—one of which joined this year—the programme encourages children to reflect on issues of disability and inclusion, challenging societal stereotypes. The active involvement of The Friendship Circle members in these sessions helps to create a lasting impact, benefiting both the students and the beneficiaries.

Engagement in Jewish Life: The Friendship Circle's commitment to Jewish life and learning remains at the heart of our mission. During every Yomtov, we offer a full programme of activities that allow members to connect with key Jewish traditions. Our steadfast dedication ensures that no one is alone during these important times. For example, during Chanukah, we hosted nightly activities and arranged for volunteers to visit 80 members at home to light the menorah together. We also facilitated shared Shabbat services with Heaton Park and The Shrubberies Synagogues and held a special Havdalah ceremony with South Manchester Synagogues, further strengthening our sense of community.

Yomtov Packs: In addition to in-person activities, we provide Yomtov Packs to all members, ensuring that even those unable to attend events in person feel the warmth and support of The Friendship Circle during these special times.

One to One Buddy Programme: Finding matches for our one-to-one buddy scheme remains an ongoing challenge due to the high level of commitment required from volunteers. However, impressively, the numbers grew by 23% in 2024.

The Friendship Circle (UK)

Trustees' Report

Inclusive Travel Opportunities: A major highlight of this year was our 2-day overnight trip to London, where 15 members and volunteers visited landmarks such as Camden, Tower Bridge, and Buckingham Palace, as well as enjoying a personalized tour of the Houses of Parliament. These fully supported and inclusive trips provide lasting memories and experiences for our members.

Open Mic Night: We hosted our first-ever Open Mic Night in conjunction with our "Stories and Strides" creative writing workshop sessions. This event, attended by nearly 100 people, provided a powerful platform for self-expression through music, poetry, and storytelling, helping participants to boost their confidence and self-esteem.

Fitness and Wellbeing Programme: Our fitness and wellbeing programme has expanded this year to include activities that enhance members' physical, mental, and emotional health. These sessions covered a range of important topics, including sexual health, mental health, stress management, and mindfulness.

Support During the Cost-of-Living Crisis: With the support of a grant from Bury Council, we were able to run a series of Drop-In Surgeries, providing practical assistance to our members in navigating the challenges posed by the ongoing cost of living crisis.

Membership Growth: Over the course of the year, 13 new members have joined The Friendship Circle, many of whom live independently in the community and receive little or no support from other services. Additionally, our teen provision has seen significant growth, reinforcing the importance of our services for this demographic.

Volunteering and Community Integration: Volunteering is a cornerstone of The Friendship Circle's operations. We welcomed 32 new volunteers in 2024, mostly through referrals and community networking, further strengthening our presence and credibility within the local community. The Friendship Circle's volunteer network encompasses all generations. We actively promote teenage volunteering and 24% of our volunteers are under 20. 24% are between the ages of 31 & 51 and 21% are over 60. This highlights the far-reaching impact the charity has in the community.

Goals for the Future

Employment Scheme Relaunch: In 2022, we launched an Employment Scheme, successfully placing 10 beneficiaries in employment. However, long-term job retention and support proved challenging. This year, we will relaunch the scheme, adopting a more person-centred approach that aligns job opportunities with each individual's strengths, aspirations, and needs. While the numbers will start small, we anticipate gradual growth as we refine our approach and increase the resources available for job coaching and support.

Safeguarding Review: We have initiated a comprehensive review of our safeguarding processes and procedures to ensure they remain robust, compliant, and fit for purpose. This process will continue throughout 2025.

Birthright Volunteering Trip: A landmark event for the organisation will be our fully accessible Birthright volunteering trip to Israel, aimed at members aged 21-45. This trip will allow our members to engage with the Jewish homeland and its people while making meaningful contributions to the community.

Teen Club Expansion: We plan to extend the reach of our Teen Club, with additional engagement initiatives for families and also hope to set up a new club for the 18-25-year-olds, as a bridge to our adult provision.

Shabbat Together: We aim to expand our Shabbat Together programme, engaging more synagogues and fostering greater community unity through shared Shabbat experiences.

We look forward to continuing our work and expanding the impact of The Friendship Circle as we strive to offer life-changing opportunities for individuals with disabilities in our community.

The Friendship Circle (UK)

Trustees' Report

Financial Review

The Friendship Circle has maintained strong financial stability throughout a challenging and unpredictable economic environment. Despite rising costs, particularly in staffing and resources, our disciplined financial management has ensured the charity's long-term financial security.

Financial Management and Strategic Planning

Our financial health has been upheld through tight budgetary control, regular reviews of cash flow forecasts, and careful financial planning. Trustees continuously evaluate the charity's short-, medium-, and long-term objectives in relation to financial planning, ensuring that all actions serve the best interests of the organisation and its beneficiaries while remaining aligned with our broader mission. In instances of exceptional spending outside regular operational costs, systems and checks are in place to manage funds appropriately, ensuring prudent financial stewardship and due diligence.

Expenditure Overview

In 2024, total expenditure was £535,839, compared to £478,907 in 2023. A significant portion of this increase is attributable to staff costs, as staff are central to delivering our services. To maintain the highest service provision, two new staff members were recruited in late 2023, bolstering our programme delivery. Additionally, a new fundraising team member was hired to help meet our growing fundraising targets. The charity also faced substantial rises in insurance and electricity costs. Furthermore, we outsourced our HR function to a professional provider to ensure compliance with policies and procedures while enabling the management team to focus on their core responsibilities.

Income Overview

The Friendship Circle generated a total income of £620,945 in 2024 (2023: £444,827). A highlight of this period was our highly successful online "match-funded" crowdfunding campaign in September, which raised almost £415,000. Nearly half of this income came from our top-tier donors, who generously agreed to match contributions during the campaign. On the day of the event alone, we raised £205,000. This campaign significantly expanded our fundraising reach across Manchester and beyond.

We received tremendous communal support, particularly from local Jewish schools and synagogues, who helped build a solid foundation for the campaign's success. Our loyal volunteers also played an instrumental role in driving the campaign and maximizing its impact in the community. An encouraging result of the campaign was that 35% of donations came from new donors, indicating a growing base of supporters for the charity.

In addition to the crowdfunding campaign, the charity raised funds through a variety of challenge events and donations from individuals, many of whom contributed in celebration of significant milestones such as "big birthdays." We also received smaller but valuable contributions from a small group of donors with standing orders. Grant funding in 2024 came from Bury Council and, most significantly, from the Lottery Fund, which supported our Skills for Life programme.

Reserves and Future Planning

The charity's reserves policy targets maintaining reserves equal to 4-6 months of operational expenditure. While we ended the year with reserves above this target, the approved budget for 2025 forecasts a deficit of £127,000. We expect that, as the fundraising cycle progresses, our reserves will return to their normal levels in line with our policy.

Trustees acknowledge the forecasted imbalance between income and expenditure in 2025. However, the charity's fundraising strategy is designed to address this gap, with a strong focus on increasing fundraising income. Given the unpredictable nature of voluntary donations, we have taken a cautious approach in forecasting the income for 2025, particularly following the success of our major crowdfunding campaign.

The Friendship Circle (UK)

Trustees' Report

Revenue Diversification and Sustainability

Nearly one-third of The Friendship Circle's income is derived from our loyal patrons, and we are deeply grateful for their ongoing commitment to the cause. The remaining funds come from smaller donations within the community, generated through various fundraising events and sponsored challenges.

To ensure the continued sustainability of our services, we are dedicated to nurturing relationships with our high-level donors. We aim to demonstrate the ongoing impact of their contributions, fostering an extended commitment through our Patron Scheme. Furthermore, we will continue to engage with our corporate partners, offering them the opportunity to sponsor programmes and invest in the charity. We are also exploring new ways to engage corporate partners, expanding our reach and support base.

Additionally, we aim to strengthen our relationship with lower-level donors by growing our portfolio of standing orders. We also plan to introduce new fundraising avenues to support the charity's mission and ensure its financial health in the years to come.

Key Upcoming Fundraising Events

One of the key fundraising highlights of 2025 will be our flagship Inclusive Fashion Show. We are eager to build on the success of previous years, further developing the event to engage the community, attract new supporters, and raise significant funds for our programmes. We also plan to host a series of fundraising "Evenings with Friends" to generate further income alongside trialling a fundraising padel tournament. This events, along with planned challenges, will be crucial in bridging the gap between our projected income and expenditure for the upcoming year. "The Art of Nature" art exhibition, featuring artwork from our weekly art classes, will serve as an excellent opportunity to enhance our profile within the community.

Expenditure 2025

Costs are expected to rise further in 2025 with the proposed governmental increases in utilities and PAYE. Additional staff are also needed to support the 18-25 teen provision. However, despite these increases, The Friendship Circle remains committed to diversifying its income streams and enhancing its financial sustainability. By continuing to nurture relationships with our donors, exploring new fundraising avenues, and focusing on prudent financial management, we are confident that the charity will continue to fulfil its mission and provide essential services to those in need.

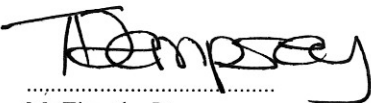
Reappointment of independent examiner

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

The annual report was approved by the trustees of the charity on 2 September 2025 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.

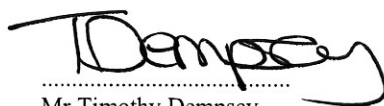
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources 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 2 September 2025 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 2024 which are set out on pages 12 to 21.

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

2 September 2025

The Friendship Circle (UK)

Statement of Financial Activities for the Year Ended 31 December 2024 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2024 £
Income and Endowments from:			
Donations and legacies	3	599,675	599,675
Investment income	4	3,649	3,649
Other income	5	17,621	17,621
Total Income		<u>620,945</u>	<u>620,945</u>
Expenditure on:			
Charitable activities	6	<u>(535,839)</u>	<u>(535,839)</u>
Total Expenditure		<u>(535,839)</u>	<u>(535,839)</u>
Net income		<u>85,106</u>	<u>85,106</u>
Net movement in funds		85,106	85,106
Reconciliation of funds			
Total funds brought forward		<u>252,167</u>	<u>252,167</u>
Total funds carried forward	10	<u>337,273</u>	<u>337,273</u>
	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	10	<u>252,167</u>	<u>252,167</u>

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

The funds breakdown is shown in note 10.

The Friendship Circle (UK)
(Registration number: 06706212)
Balance Sheet as at 31 December 2024

	Note	2024 £	2023 £
Current assets			
Debtors	9	94	-
Cash at bank and in hand		<u>337,179</u>	<u>252,167</u>
		<u>337,273</u>	<u>252,167</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>337,273</u>	<u>252,167</u>
Total funds	10	<u>337,273</u>	<u>252,167</u>


For the financial year ending 31 December 2024 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

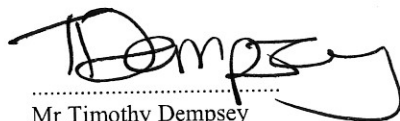
Directors' responsibilities:

- 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 12 to 21 were approved by the trustees, and authorised for issue on 2 September 2025 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 2024

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 2024

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.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

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 2024

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.

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

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 2024

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 2024 £	Total 2023 £
Donations and legacies;			
Donations	529,069	529,069	370,588
Gift aid reclaimed	45,948	45,948	28,242
Grants, including capital grants;			
Grants from other charities	24,658	24,658	10,298
	<u>599,675</u>	<u>599,675</u>	<u>409,128</u>

4 Investment income

	Unrestricted funds		
	General £	Total 2024 £	Total 2023 £
Interest receivable and similar income;			
Interest receivable on bank deposits	3,649	3,649	2,440

The Friendship Circle (UK)

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

5 Other income

	Unrestricted funds		
	General £	Total 2024 £	Total 2023 £
Programme income	17,621	17,621	15,062
Recharges	-	-	18,197
	<u>17,621</u>	<u>17,621</u>	<u>33,259</u>

6 Expenditure on charitable activities

	Unrestricted funds		
	General £	Total 2024 £	Total 2023 £
Activities undertaken directly	517,123	517,123	446,329
Allocated support costs	18,716	18,716	32,578
	<u>535,839</u>	<u>535,839</u>	<u>478,907</u>
	Activity undertaken directly £	Total 2024 £	Total 2023 £
Wages & salaries	323,682	323,682	277,374
Staff training	3,484	3,484	3,829
Rent & rates	23,708	23,708	13,900
Utilities	3,791	3,791	6,209
Office expenses	8,244	8,244	8,838
Office relocation expenses	-	-	14,159
Computer & IT	963	963	500
Insurance	7,147	7,147	3,390
Printing, postage & delivery	3,428	3,428	2,872
Fundraising & marketing	31,756	31,756	34,001
Programme expenses	109,521	109,521	98,081
Loan interest	-	-	785
Professional fees & consultancy	19,621	19,621	14,490
Bank charges	494	494	479
	<u>535,839</u>	<u>535,839</u>	<u>478,907</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 2024

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 £46,000 (2023: £36,800) during the year.

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

Mrs Lyons resigned as a trustee on 31 December 2023.

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:

	2024	2023
	No	No
Total employees	<u>9</u>	<u>9</u>

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

9 Debtors

	2024
	£
Other debtors	<u>94</u>

The Friendship Circle (UK)

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

10 Funds

	Balance at 1 January 2024 £	Incoming resources £	Resources expended £	Balance at 31 December 2024 £
Unrestricted funds				
General	<u>(252,167)</u>	<u>(620,945)</u>	<u>535,839</u>	<u>(337,273)</u>
	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>

11 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Current assets	<u>337,273</u>	<u>337,273</u>

12 Analysis of net funds

	At 1 January 2024 £	Cash flow £	At 31 December 2024 £
Cash at bank and in hand	252,167	85,012	337,179
Current asset investments	-	94	94
Net debt	<u>252,167</u>	<u>85,106</u>	<u>337,273</u>