

Report of the Trustees and

Audited Financial Statements for the Year Ended 31 December 2022

for

Good Neighbours UK

Contents of the Financial Statements
for the Year Ended 31 December 2022

	Page
Chair's Report	1
Report of the Trustees	2 to 6
Statement of Trustees' Responsibilities	7
Report of the Independent Auditors	8 to 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Cash Flow Statement	15
Notes to the Financial Statements	16 to 22
Detailed Statement of Financial Activities	23

Chair's Report
for the Year Ended 31 December 2022

If we thought 2021 was demanding with the challenge of Covid, the year of 2022 was, arguably, a notch above that. In a year that saw humanitarian crises deepen, the effects of climate change being felt across the globe with floods, drought and extreme heat, rampant inflation, energy supplies compromised and, finally War in Ukraine, everyone it seems faced challenge and upheaval in their daily lives.

Our GNUK team, which is not the largest in terms of human resources, rose to address some of those challenges through organising fundraising events in York to being involved on the ground in Ukraine supporting Ukrainian refugees. We raised the issue of Water, Sanitation and Hygiene (WASH), girls' education and women's rights through our online campaigning. The public were very generous in their support and through our campaigning we have gained an incredible group of Volunteers who will provide help and inspiration as we continue to build good relationships with the residents, other organizations and institutions both in York and nationally.

Our work in Ukraine was, by far, the most demanding that we needed to urgently respond to. Working with our GN partners from South Korea, Japan, Taiwan, USA, and Switzerland we helped organise food and emergency supplies to people within Ukraine and to people fleeing the country. Establishing a base in Suceava in the north and Galati in the south of Romania, we partnered with UNICEF to provide psychosocial support kits for children caught up in this tragedy. To date, we have delivered 12,600 of these kits to children and, working with UK Psychotherapists, have delivered training to around 60 professionals and 40 volunteers in Romania to enable them to use techniques and apply the right kind of understanding to help children try to make sense of what is happening and to build their psychological resilience to allow them to continue and develop as children within this highly unstable environment.

I am so proud of our UK team and of our colleagues across the world. The development of our Psychosocial Support programme has been developed over many years and it is something that can be used to help any child, and their parents, who are caught up in disasters such as earthquakes, flooding, war and famine. We do what we say and put children and their mothers at the heart of any programme that we deliver.

Our work will continue in Romania as this country's geographical proximity to Ukraine has meant that it is one of the safest countries for people who have no choice other than to leave their own home to cross the Border to reach safety. Our Good Neighbors Global Organisation, has now developed a new Field Country base in Romania and we shall support that team for months to come as they and all the NGO's working there, determine priorities going forward.

Closer to home, we continue to apply for funding to enable us to deliver our community projects around the world. Like many others in the international development world, we know that we are all chasing a smaller 'pot' of resources made available for this kind of work as Governments across the globe grapple with the issues I have outlined above. We remain determined and focused and learn from every bid that was not successful. We have shown that we are a resilient team, adapting and developing our approach against a very uncertain backdrop.

We are working closely with local organisations that provide support for Asylum seekers and Refugees in our locality and know that only by working as a team both in-house and externally, will we be able to provide solutions that can help people in such distressing circumstances. Each tiny step we take can make a difference and it is for us to continue the journey however difficult the challenge.

As I said at the end of 2021, and which I reiterate at the end of 2022, I am optimistic; we can play our part in creating a better, more compassionate world.

Cheryl Siddons
Board Chair GNUK

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The object of the charity is to prevent or relieve poverty by way of, but not limited to, providing education and sustainable development initiatives for the benefit and protection of children and their families in charitable need by fundraising and managing projects locally, nationally and internationally.

Our focus continues to be community development. We work in communities, with communities and for communities. We establish local needs through dialogue and assessment, working with local partners, local governments, and community representatives. Our goals are then to create sustainable solutions for the whole community in an inclusive way without discrimination including race, religion, gender, or disability.

Our projects are focused on delivering against the UN's Sustainable Development Goals (SDGs). These include poverty reduction; zero hunger such as food security; good health and wellbeing; quality education; gender equality; clean water and sanitation; and climate action.

Disasters and war cut across all of these areas by removing the basics of life for millions of people resulting in urgent need for food, shelter, warmth, medicine and psychological support.

OBJECTIVES AND ACTIVITIES

Significant activities

International

Ukraine

Good Neighbors UK in Partnership with UNICEF Romania has been providing support to Ukrainian refugees in Romania since the start of the war. We have delivered 12,969 Psychosocial first aids kits to children and families and conducted 1,716 support activities. Working locally in communities we have trained 55 individuals to support Ukrainian families alongside training 35 psychological first aid facilitators.

Kyrgyzstan

In partnership with Good Neighbors Kyrgyz Republic, we have built toilet blocks in Bolot Mambetov. The goal of this programme is to improve girls' menstrual health and hygiene management (MHM) in four rural villages. The project was successfully completed over 14 months benefitting not only girl students but the teachers and the overall community in raising awareness and understanding the importance of menstrual health.

Cameroon

Together with Good Neighbors Cameroon we have constructed two boreholes in the villages of Galwaché and Wassoua in Méhé. The project helps the communities of the Méhé region in accessing clean water and educating the community on WASH/ hygiene management practices. This helps in reducing water-borne diseases and reduces risks to women and girls while they are travelling to far places in search of clean water.

Nepal

Working with Good Neighbors Nepal we are improving the access to learning for disabled children in the districts of Dhanusha and Mahottari. This project promotes equal access to education services by creating an infrastructure that promotes accessibility for children with disabilities (CWD). The project also deals with the stigmas and marginalisation associated with disabilities and provides assistive tools. At the municipal level (local Government) we are providing training and orientation on disability inclusion to help them provide the appropriate assistance to these children.

Also, with Good Neighbors Nepal we are developing a Water and Sanitation Health Facility Improvement Tool (WASH FIT) in the Modi Parbat District of Nepal. The project aims to improve the health of the communities through improving WASH practices at health facilities in the Gandaki Province including an upgrade to safe drinking water facilities, sanitation management and training of health workers and general hygiene practice in the community.

UK

York

We created a Good Neighbours garden in Castlegate York. Working in partnership with several community organisations and volunteers, the garden provided a place of sanctuary, a meeting space, an event space and safe space for those in isolation coming through the pandemic. We organised coffee mornings for refugees to meet up and chat. The garden also provided an opportunity for York St John's University nursing students to enrich their skills by being part of this community.

Scarborough

In partnership with Scarborough Friends of Refugees we are working to develop a support structure for refugees and asylum seekers in the town with emphasis on supporting refugees with settled status.

Public benefit

We have referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

ACHIEVEMENT AND PERFORMANCE

Achievements and performance

Good Neighbours UK is employing enhanced due diligence practices to deliver these projects. We have created a global safeguarding standard and mandatory safeguarding training for all employees and delivery partners globally. For every project, alongside the delivery work we generate a memorandum of understanding to outline our shared responsibilities which considers project outputs and outcomes; safeguarding and whistleblowing; safer recruitment; risk management; code of conduct; anti-fraud and bribery practices; governance; financial control; monitoring and evaluation; donor reporting and dispute management.

FINANCIAL REVIEW

Principal funding sources

Good Neighbours UK principal fund comes in the form of a donation from The Good Neighbors Global Partnerships Centre (GPC). This fund is unrestricted however an annual budget forecast, detailing income and expenditure, is prepared in advance and approved by GPC. Funding has been approved for the period 1 January 2023 to 31 December 2023

Reserves policy

The trustees have set a target of holding three months of operating costs in reserves for the charity as the amount required for statutory commitments to staff and suppliers should the UK Office cease operation. This amount is calculated to be £120,000 (approved by Board Nov 2021).

The current free reserves of the charity are £136,628 and are above the required reserves level.

The trustees recognise that six months would be a healthy reserve however, whilst we are in the development stage of the UK office, consider that three months reserve would be sufficient. The reserves policy will be reviewed at the quarterly board meetings and adjusted as the UK office grows.

Going concern

The primary source of funding comes through donations to Good Neighbors International in Korea.

There is a long term commitment by Good Neighbors International to fund Good Neighbours UK. The UK team continues to develop fundraising opportunities to ensure that there are additional funding streams for the operation and implementation of projects both locally, nationally and internationally.

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the 'going concern' basis in preparing the financial statements.

FUTURE PLANS

The Charity plans to continue and expand, where possible, its present activities in the following year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity constitution

Good Neighbours UK was incorporated as a company limited by guarantee on 24 July 2019 company number 12118933. It was registered as a charity in England and Wales on 21 October 2020 charity number 1191924.

Recruitment and appointment of new trustees

Members of the board, who are Trustees for the purpose of Charity Law, who have served during the period are set out in the Trustees Report. Trustees are appointed for a three-year term.

A retiring Trustee shall be eligible for re-election for consecutive periods not exceeding nine years from the date of his or her original appointment but thereafter a Trustee shall not be eligible for re-appointment until one year after his or her retirement.

Trustees will be properly appointed. Potential trustees will undergo a full recruitment and interview process, references will be sought and a full induction process implemented. Their appointment will be confirmed by the Board.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

Key management personnel is reviewed and is in line with other charities of similar nature.

Risk management

The Board of Trustees has continued to meet quarterly. Our financial position is reviewed on a monthly basis. We have carried out a robust analysis of our current financial position and have a dedicated Finance Officer to monitor all income and expenditure.

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems and procedures are in place to mitigate our exposure to any major risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

12118933 (England and Wales)

Registered Charity number

1191924

Registered office

Office Suite 6
20 Castlegate
York
North Yorkshire
YO1 9RP

Trustees

Mr J A O'Reilly Trustee (resigned 10.2.22)
Dr H E Seong Trustee
Mrs C Siddons Board Chair
Mr M Foy Trustee
Ms N S Kendrick Trustee
Ms V A Wickenden Trustee
Mr J Park (appointed 10.2.22)
Mr M W Knight Deputy Chair (appointed 7.5.22)
Mrs C Foster Trustee (appointed 7.5.22)

Auditors

Armstrong Watson Audit Limited
York House
Thornfield Business Park
Northallerton
North Yorkshire
DL6 2XQ

Bankers

Barclays Bank UK PLC
1 Churchill Place
London
E14 5HP

Accountants

Asquith & Co Accountants Limited
Rowan House
7 West Bank
Scarborough
North Yorkshire
YO12 4DX

AUDITORS

The auditors, Armstrong Watson Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 29 March 2023 and signed on its behalf by:

Mrs C Siddons - Trustee

Statement of Trustees' Responsibilities
for the Year Ended 31 December 2022

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable incorporated organisation 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 then apply them consistently; observe the methods and principles of the Charities SORP (FRS 102); make judgments and accounting estimates that are reasonable and prudent; state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable incorporated organisation will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable incorporated organisation's transactions and disclose with reasonable accuracy at any time the financial position of the charitable incorporated organisation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charitable incorporated organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by Cheryl Siddons (Board Chair).

Opinion

We have audited the financial statements of Good Neighbours UK (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, UK Charities Act, tax legislation and employment legislation.
- We enquired of the trustees, reviewed correspondence with the charity commission and reviewed trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the trustees have in place to ensure compliance.
- We gained an understanding of the controls that the trustees have in place to prevent and detect fraud. We enquired of the trustees about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: misappropriation of cash and other assets..
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the trustees and third-party advisors about actual and potential litigation and claims.
- We performed analytical procedures as a planning tool to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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

Use of our report

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

Simon Turner (Senior Statutory Auditor)
for and on behalf of Armstrong Watson Audit Limited
York House
Thornfield Business Park
Northallerton
North Yorkshire
DL6 2XQ

Date:

Statement of Financial Activities
for the Year Ended 31 December 2022

	Notes	Unrestricted fund £	Restricted fund £	31.12.22 Total funds £	31.12.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	<u>270,168</u>	<u>353,730</u>	<u>623,898</u>	<u>201,261</u>
EXPENDITURE ON					
Charitable activities	3				
Activities undertaken directly		<u>250,777</u>	<u>286,964</u>	<u>537,741</u>	<u>163,492</u>
NET INCOME		19,391	66,766	86,157	37,769
RECONCILIATION OF FUNDS					
Total funds brought forward		117,237	415	117,652	79,883
TOTAL FUNDS CARRIED FORWARD		<u><u>136,628</u></u>	<u><u>67,181</u></u>	<u><u>203,809</u></u>	<u><u>117,652</u></u>

The notes form part of these financial statements

Balance Sheet
31 December 2022

	Notes	Unrestricted fund £	Restricted fund £	31.12.22 Total funds £	31.12.21 Total funds £
FIXED ASSETS					
Tangible assets	9	3,481	-	3,481	3,452
CURRENT ASSETS					
Debtors	10	3,074	-	3,074	1,943
Cash at bank		145,589	90,623	236,212	124,182
		<u>148,663</u>	<u>90,623</u>	<u>239,286</u>	<u>126,125</u>
CREDITORS					
Amounts falling due within one year	11	(15,516)	(23,442)	(38,958)	(11,925)
NET CURRENT ASSETS		<u>133,147</u>	<u>67,181</u>	<u>200,328</u>	<u>114,200</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>136,628</u>	<u>67,181</u>	<u>203,809</u>	<u>117,652</u>
NET ASSETS		<u>136,628</u>	<u>67,181</u>	<u>203,809</u>	<u>117,652</u>
FUNDS	12				
Unrestricted funds				136,628	117,237
Restricted funds				<u>67,181</u>	<u>415</u>
TOTAL FUNDS				<u>203,809</u>	<u>117,652</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 29 March 2023 and were signed on its behalf by:

Mrs C Siddons - Trustee

Cash Flow Statement
for the Year Ended 31 December 2022

	Notes	31.12.22 £	31.12.21 £
Cash flows from operating activities			
Cash generated from operations	1	<u>112,675</u>	<u>42,518</u>
Net cash provided by operating activities		<u>112,675</u>	<u>42,518</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(645)</u>	<u>(1,167)</u>
Net cash used in investing activities		<u>(645)</u>	<u>(1,167)</u>
Change in cash and cash equivalents in the reporting period		<u>112,030</u>	<u>41,351</u>
Cash and cash equivalents at the beginning of the reporting period		<u>124,182</u>	<u>82,831</u>
Cash and cash equivalents at the end of the reporting period		<u><u>236,212</u></u>	<u><u>124,182</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.22 £	31.12.21 £
Net income for the reporting period (as per the Statement of Financial Activities)	86,157	37,769
Adjustments for:		
Depreciation charges	616	504
Increase in debtors	(1,131)	(674)
Increase in creditors	27,033	4,919
Net cash provided by operations	<u>112,675</u>	<u>42,518</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22 £	Cash flow £	At 31.12.22 £
Net cash			
Cash at bank	124,182	112,030	236,212
	<u>124,182</u>	<u>112,030</u>	<u>236,212</u>
Total	<u>124,182</u>	<u>112,030</u>	<u>236,212</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on reducing balance
-----------------------	---------------------------

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

2. DONATIONS AND LEGACIES

	31.12.22	31.12.21
	£	£
Donations	3,917	1,558
Grants	619,981	199,703
	<u>623,898</u>	<u>201,261</u>

Grants received, included in the above, are as follows:

	31.12.22	31.12.21
	£	£
Global Partnership Centre	279,875	194,565
The Korean Government Fellowship	-	5,138
UNICEF	337,106	-
The Green Hall Foundation	3,000	-
	<u>619,981</u>	<u>199,703</u>

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 4) £	Totals £
Activities undertaken directly	<u>526,298</u>	<u>11,443</u>	<u>537,741</u>

4. SUPPORT COSTS

Within activities undertaken by the charity are £11,443 of governance costs relating to audit, accountancy and legal and professional costs. These represent the support costs of the charity and have been classified as such based on the fact they are not part of the delivery of charitable activities.

5. NET INCOME/(EXPENDITURE)

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

	31.12.22	31.12.21
	£	£
Depreciation - owned assets	616	504
Other operating leases	8,160	7,484
Auditors fee	<u>4,800</u>	<u>4,800</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the period ended 31 December 2022.

Trustees' expenses

There were trustees' expenses totalling £534.95 paid for during the period ended 31 December 2022. The expenses were reimbursing the trustees' for expenses incurred on behalf of the charity.

7. STAFF COSTS

	31.12.22	31.12.21
	£	£
Wages and salaries	189,504	111,430
Social security costs	12,209	5,123
Other pension costs	3,294	2,004
	<u>205,007</u>	<u>118,557</u>

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

	31.12.22	31.12.21
Management	2	2
Administration	6	4
	<u>8</u>	<u>6</u>

Key management personnel are deemed to be H Yang and D King with total salary costs of £65,982 combined.

There were no employees with emoluments in excess of £60,000.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	<u>200,720</u>	<u>541</u>	<u>201,261</u>
EXPENDITURE ON			
Charitable activities			
Activities undertaken directly	<u>163,266</u>	<u>226</u>	<u>163,492</u>
NET INCOME	37,454	315	37,769
RECONCILIATION OF FUNDS			
Total funds brought forward	79,783	100	79,883
TOTAL FUNDS CARRIED FORWARD	<u>117,237</u>	<u>415</u>	<u>117,652</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2022	4,200
Additions	645
At 31 December 2022	4,845
DEPRECIATION	
At 1 January 2022	748
Charge for year	616
At 31 December 2022	1,364
NET BOOK VALUE	
At 31 December 2022	3,481
At 31 December 2021	3,452

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22 £	31.12.21 £
Prepayments	3,074	1,943

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22 £	31.12.21 £
Social security and other taxes	4,813	3,898
Pension liability	909	571
Accrued expenses	33,236	7,456
	38,958	11,925

12. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	117,237	19,391	136,628
Restricted funds			
Restricted fund	415	66,766	67,181
TOTAL FUNDS	117,652	86,157	203,809

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

12. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	270,168	(250,777)	19,391
Restricted funds			
Restricted fund	353,730	(286,964)	66,766
TOTAL FUNDS	<u>623,898</u>	<u>(537,741)</u>	<u>86,157</u>

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General fund	79,783	37,454	117,237
Restricted funds			
Restricted fund	100	315	415
TOTAL FUNDS	<u>79,883</u>	<u>37,769</u>	<u>117,652</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	200,720	(163,266)	37,454
Restricted funds			
Restricted fund	541	(226)	315
TOTAL FUNDS	<u>201,261</u>	<u>(163,492)</u>	<u>37,769</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

12. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.21 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	79,783	56,845	136,628
Restricted funds			
Restricted fund	100	67,081	67,181
TOTAL FUNDS	<u>79,883</u>	<u>123,926</u>	<u>203,809</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	470,888	(414,043)	56,845
Restricted funds			
Restricted fund	354,271	(287,190)	67,081
TOTAL FUNDS	<u>825,159</u>	<u>(701,233)</u>	<u>123,926</u>

13. RELATED PARTY DISCLOSURES

Good Neighbours UK has an inclusive partnership with Good Neighbors (Global Partnership Centre). During the period Good Neighbours UK received £279,875 (2021: £194,565) in grants from Good Neighbors (Global Partnership Centre).

14. RESTRICTED/UNRESTRICTED FUNDS

During the period Good Neighbours UK received both unrestricted and restricted funds. The restricted funds received totalled £353,730, with expenditure totalling £286,964. Once the restricted funds from 2021 are taken into account there is a balance held of £67,181.

Unrestricted funds are funds that have been received which are not held for a specific charitable purpose. They can be spent as deemed fit by the trustees.

Restricted funds are funds that have been given to the charity for a particular purpose and must be spent on the specified purpose only.

15. GOING CONCERN

The Trustees' have prepared budgets and forecasts for a period of at least 12 months from the date of approval of these financial statements. These reflect known committed income and committed costs such as payroll and known delivery costs of new projects and plans. The outcome of these budgets and forecasts is that the Charity has significant cash head room. The level of which is such that any adverse impact of macro economic factors would not give rise to a significant financial pressure on the charity. As such sensitivities such as a 50% fall in forecast income from historic donors would still leave the charity with cash head room. On that basis the Trustees' have considered it appropriate to prepare the financial statements on a going concern basis.

Detailed Statement of Financial Activities
for the Year Ended 31 December 2022

	31.12.22 £	31.12.21 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	3,917	1,558
Grants	619,981	199,703
	623,898	201,261
Total incoming resources	623,898	201,261
 EXPENDITURE		
Charitable activities		
Wages	189,504	111,430
Social security	12,209	5,123
Pensions	3,294	2,004
Other operating leases	8,160	7,484
Marketing and public relations	1,920	2,416
Networking and research	10,300	2,228
Proposal writers	-	3,240
Project costs	278,350	883
Insurance	480	490
Printing, postage and stationery	1,414	1,180
Subscriptions and licences	3,248	2,275
Advertising and website	7,990	8,550
Telephone and internet charges	3,281	3,162
Training	77	76
Repairs and renewals	387	-
Accommodation and subsistence	1,147	668
Travelling	3,736	525
Employee costs	185	2,686
Fixtures and fittings	616	504
	526,298	154,924
 Support costs		
Governance costs		
Accountancy fees	3,687	2,865
Legal fees	2,160	300
Bank charges	346	103
Human resource consultants	450	500
Audit fees	4,800	4,800
	11,443	8,568
Total resources expended	537,741	163,492
Net income	86,157	37,769

This page does not form part of the statutory financial statements