

ANNUAL REPORT & FINANCIAL STATEMENTS 2023


Good
Neighbours
UK





**Good Neighbours UK:
Report of the Trustees and Audited
Financial Statements for the year
ended 31st December 2023**

Company Number 12118933 (England and Wales)

Charity Number 1191924

Website www.goodneighbours-uk.org

Address 17 Priory Street, York YO1 6ET

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A MESSAGE FROM OUR CHAIR

Following on from the difficult year of 2022, this year seems to have been one of a series of cascading challenges from climate change and its subsequent effects on ever more people being pushed into poverty and food insecurity, ever increasing migration, internally displaced people and an escalation of armed conflict.

This coming year will see almost 4 billion people head to the Polls as some 30+ countries hold elections. The peoples of Taiwan, India, UK and the US are some of the major and powerful democracies taking part in elections. The outcomes will determine who controls and directs the challenges being faced by all of us and may not calm global instability in the short term. Humanitarian and Development charities such as Good Neighbours, will be prepared for the 'long game', to keep our course, to continue the fight against inequality and suffering and to continue to uphold the UN's Sustainable Development Goals Agreement set in 2015.

At GNUK, the past year has been one of transition as we said goodbye to our Director, Hyejoung Yang, and appointed a new replacement, Zarina Douglas-Sori. Hyejoung's tireless work and commitment to the establishment of the first UK office cannot be underestimated. We are indebted to her for her leadership and determination to put Good Neighbours at the heart of the community locally and to build relationships regionally and nationally. It is never easy to be the 'newcomer' but her resilience and faith helped forge a way ahead for our small team.

Under Zarina's leadership, we have moved offices to larger and more appropriate premises which affords us access and opportunities to collaborate with other local voluntary organisations. Going forwards, the Trustees have adopted a new Business Strategy which covers the next two year period. Our priority will be to secure funding from Trusts and Foundations and Overseas Development Aid to continue our projects in over 40 countries across the Globe.

The need was never more urgent and the Trustees feel that by focussing on international development we shall make the most prudent use of our resources.

Our Director is developing the capacity of our Field Office Teams by increasing their knowledge of the funding landscape and to create opportunities for joint bids for resources.

The Trustees were delighted to have worked with a local refugee support group and earlier in the year welcomed two families to homes secured for them through the group. It seems a drop in the ocean to only help two families, but our philosophy is to look at the big picture and take small actions to secure positive outcomes.

Our commitment, skills development and perseverance will eventually be recognised and thus solutions implemented to play our role in creating a fairer, more just world. I am so proud of our team both staff and the Board of Trustees who continue to work together and to support one another with our collective positive outlook and determination.

Matthew Knight
Interim Chair



TRUSTEES REPORT

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 2023. 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

The objects of the Charity are 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.

Provide relief for persons who are in conditions of need, hardship or distress.

Preserve and protect the physical and mental health of persons in need..



The trustees by special resolution modified the objects of the charity to further clarify its commitment to support those in hardship and distress and protect the physical and mental health of persons in need. The special resolution was duly passed by way of written resolution pursuant to Chapter 2 of Part 13 of the Companies Act 2006: Charity Commission consent dated 10 October 2023 provided as required under section 198 Charities Act 2011, it was agreed to delete the original wording at Article 3.1 of the Company's Articles of Association and replace it with the wording above.

The trustees agreed a change in the business plan to concentrate on international projects. However, 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.

OBJECTIVES AND ACTIVITIES

Our projects are focused on delivering against the UN's Sustainable Development Goals (SDGs). These include:



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.

PROJECTS OVERSEEN BY GNUK

In partnership with Good Neighbours (Global Partnership Centre), GNUK provides monitoring, oversight, and technical support to Good Neighbors country programmes, building their capacity to implement, monitor, evaluate, and report on donor funded projects. In 2023, we assisted four country programmes in successfully implementing projects for Good Neighbours (Global Partnership Centre)'s internal Global Challenge Fund, providing project management and financial oversight services. We detail these overleaf.



CAMEROON



GNUK worked with Good Neighbors Cameroon to address two development needs identified by the communities of Galwache and Wassou in the Far North Region of Cameroon.

In February, the 'Water, Sanitation and Hygiene project' achieved its aims to provide access to safe drinking water and to reduce illness resulting from poor water, sanitation and hygiene (WASH) practices. In collaboration with the community, two new boreholes were constructed, and a campaign began to raise awareness of good WASH practices in both villages.

The project endline survey showed that:

97% of participants had improved knowledge of hygiene management.

The survey also revealed that the number of participants reporting incidents of waterborne diseases (diarrhoea, cholera, dysentery, typhoid and general stomach problems) dropped from 100% down to 35% due to this project.

A community WASH committee was also formed to ensure the sustained maintenance of the boreholes and awareness of hygiene and sanitation behaviours, including handwashing, conservation of drinking water, and use of toilets.

The project 'Educate children to transform the community', started in January. Children in the village of Wassou were walking up to 7 kilometres to reach the nearest primary school located in Mehe Sanda, leading to low enrolment and literacy rates. This project built and equipped a new school in Wassou, and recruited and trained new teachers. Its doors opened for the 2023/2024 school year with 118 children at grade 1 and grade 2 level. The school has been formally handed over to the Ministry of Basic Education who will oversee the continued running of the school, with the ongoing support of a Community Development Committee.

KEY RESULTS



over 1,015 people enjoyed improved access to drinking water.



25% of the population participated in awareness raising.



VIETNAM



The practice of child marriage is prevalent in rural, mountainous areas like Ha Giang province of Vietnam, with 14.6% of girls and 2% of boys married before their 18th birthday. Tradition, poverty and low awareness of reproductive health among adolescents contribute to higher rates of teen pregnancy.

Girls married to older men are voiceless and powerless within their households, and so vulnerable to violence, sexual abuse, and social isolation. Pregnant girls are also blocked from exercising their right to education and employment.

GNUK teamed up with Good Neighbors Vietnam to campaign for higher awareness and to introduce skills that prevent early marriage for children aged 12-15 years old in 4 communes in the Quang Binh District of Ha Giang province.

The 'Children are not brides project' started in January and has so far trained over 900 individuals (teachers, community leaders, parents, members from local education department, and four volunteer clubs) on prevention of child marriage, children's rights and marriage law. Child marriage prevention clubs taught 1,297 children from four schools, introducing comprehensive sex education covering topics relating to puberty, reproductive health, sex, pregnancy, gender equality, sexual abuse, early marriage, and children's rights.

Educational handbooks produced by the project have been approved by the Ministry of Education and will be shared with other schools in the region.

A further 1,200 students also participated in a Pathway to Adulthood programme, where they received extracurricular lessons focused on communication, teamwork, and critical thinking skills, with grade 9 taking additional classes in vocational training in hospitality and catering.

KEY RESULTS



1,297 children given comprehensive sex education



1,200 students participated in a Pathway to Adulthood programme,



NEPAL



We worked with Good Neighbors Nepal on two projects funded by GNI's Global Challenge Fund.

The 'Water, Sanitation and Hygiene for health facilities project' was completed at the end of February. The project aimed to improve the health of communities in Modi Rural Municipality of Parbat District by addressing WASH issues at eight health facilities and promoting WASH practices in the community. Before this project only four of these facilities had adequate drinking water stations and two had no access to water at all.

Without access to a regular supply of water, maintaining the cleanliness of health facilities was a daily challenge. This has been addressed by assuring a continuous supply of water, and building or upgrading handwashing stations, toilet facilities and waste pits for the disposal of medical waste. A committee was formed from the community and local health workers. 83 members were trained in water, sanitation, hygiene and waste management, a further 16 in infection prevention, and a WASH operation and maintenance plan was put into place. At the community level, 72 female volunteers were trained to conduct household visits and educate members of mothers' health groups.

The endline survey shows:

an increase from 34% to 94% of these groups now demonstrating good WASH practices.

After working with local authorities and the national health department, all 8 local municipalities of Parbat district are now budgeting for the maintenance of WASH infrastructure at municipal health centres.



The 'Inclusive Education - Access to learning for children living with disability project' was also completed in February. Its goal of improving access to learning for children living with disability in the districts of Dhanusha and Mahottari was achieved by installing accessible ramps, toilets and handwashing stations at six schools.

117 education providers were trained to provide more inclusive support and tuition, and 57 assistive devices were provided to help students living with disabilities to attend school. The project also strengthened the capacity of civil society advocates and local authorities to ensure public policies include disability as one of their priority areas.

PROJECTS LED AND MANAGED DIRECTLY BY GNUK

ROMANIA



GNUK has been actively involved in supporting Ukrainian refugees in Romania. When the war started in February 2022, GNUK joined Good Neighbours International's Emergency Relief team to undertake the initial needs assessment of the vast numbers of refugees fleeing the country into Romania and to coordinate with other aid agencies on the ground.

We provided food, transport and medication in the first instance. We received funding from UNICEF Romania to deliver a Psychosocial Support (PSS) programme to help children and families in coming to terms with their displacement and separation.



The programme, which ran from May 2022 to February 2023 (Phase I & Phase II) distributed a total of 13,519 PSS kits containing self guided workbooks and stationary. We also reached 8,799 children through PSS in person sessions and trained 90 people in PSS methodology including trauma informed approaches and safeguarding. Those trained included: health professionals, students, teachers, public employees and parents.

Between March and August 2023, GNUK supported the establishment of Good Neighbors Romania as an officially registered charity, assisting with capacity building and ultimately handing over stewardship of the PSS programme.

KEY OUTCOMES



8,799 children received PSS in person sessions.



13,519 PSS kits were distributed.



90 people were trained in PSS methodology.

NEPAL



As a follow on to the 'Inclusive Education - Access to learning for disabled children living with disability project', GNUK, mobilised additional funding for a 6-month micro project 'Assistive devices to support children living with disabilities' which allowed an additional 21 children living with disability in the districts of Dhanusha and Mahottari Districts to attend school. Additional funds were made possible with the repurposing of a grant received from Greenhall Trust and use of unrestricted funds from the Global Partnership Centre. The project started in September and is being overseen by GNUK with Good Neighbors Nepal as our implementing partner. The project also provides psycho-social counselling support to selected children and their parents, awareness raising on their security/protection needs, education, nutrition, and maintenance of their assistive equipment. The project is also ensuring that children receive medical reviews with health professionals.



GHANA



Good Neighbours UK working in partnership with University of Manchester and Good Neighbors Ghana, undertook a baseline study to understand the effect of girls clubs and mentoring on the reduction of teenage pregnancy in Akatsi North District, Volta Region, Ghana.

The baseline data will guide the development of a project aimed at reducing the number of teenage pregnancies through changing attitudes and increasing knowledge on sexual and reproductive health.

UK



Under the UK Home Office Community Sponsorship scheme, GNUK has continued to work with two volunteer groups in Scarborough, Scarborough Friends of Refugees and the Yorkshire Coast Welcomers, to support the resettlement of vulnerable refugees.

There were also a number of small website campaigns raising much needed funds to support the Turkey-Syria Earthquake, WASH and Girls education.

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

Charitable Activities

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 and managing the end use of funds; monitoring and evaluation; donor reporting and dispute management.

Funds are significantly lower this year due to the completion of the UNICEF funded programme and the migration of Romanian operations to the newly formed Good Neighbors Romania. During the year the remainder of the funds received from UNICEF last year were expended, totalling £14,408.



FINANCIAL REVIEW

Principal Funding Sources

GNUK principal funding comes in the form of a donation from The Good Neighbors Global Partnerships Centre (GPC). This funding is a combination of restricted and unrestricted income however an annual budget forecast, detailing income and expenditure, is prepared in advance and approved by GPC. The total restricted funds received from GPC was £12,769. Funding has been approved for the period 1 January 2024 to 31 December 2025.

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 £75,000.

The current unrestricted reserves of the charity are £200,189, however this contains a designated reserve of £60,000 for fundraising purposes.

Taking the above and tangible assets into account the current free reserves of the charity are £135,824.

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

Going Concern

There is a long term commitment by Good Neighbors International to fund Good Neighbours UK, this is supported by the new funding addendum agreed for a further three years. The UK team continues to develop fundraising opportunities to ensure that there are additional funding streams for the operation and implementation of its projects.

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.

Raising Funds

This includes the salaries, direct expenditure and support costs of staff engaged in fundraising activities.

Fundraising costs are recognised in the year they are incurred although income derived from the initiatives may arise in future years.

Future Plans

The Charity plans to continue to support communities to find solutions to their development needs and to work with local partners to develop, fundraise for and implement humanitarian and development projects.

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.

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. We will continue to refine our processes and policies as the charity develops.



REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number

12118933 (England and
Wales)

Registered Charity Number

1191924

Registered Office

Priory Street Centre
17 Priory Street
York
North Yorkshire
YO1 6ET

Trustees

Dr H E Seong NGO
Representative
Mrs C Siddons Retired
(resigned 1.1.24)
Mr M Foy It Consultant
Ms N S Kendrick Solicitor
Ms V A Wickenden Senior
Manager
Mr J Park Certified
Chartered Accountant
Mr M W Knight Retired
Charity Trustee Mrs C Foster
Trustee (resigned 22.3.23)

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
26 March 2024 and signed on its behalf by:
Mr M W Knight - Trustee

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 Matthew Knight (Interim Chair).

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GNUK

Opinion

We have audited the financial statements of Good Neighbours UK (the 'charitable company') for the year ended 31 December 2023 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 2023 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, anti-bribery and corruption 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, for example employee handbooks and inductions over anti-bribery legislation.
- 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 through their misuse on international projects.

- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above. This included reviewing the documentation of how resources are applied and used in the undertaking of international development projects.

- 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: 26 March 2024

STATEMENT OF FINANCIAL ACTIVITIES

for the Year Ended 31 December 2023

				31.12.23	31.12.22
	Notes	Unrestricted fund £	Restricted fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	<u>240,591</u>	<u>58,022</u>	<u>298,613</u>	<u>623,898</u>
EXPENDITURE ON					
Charitable activities					
Activities undertaken directly	3	<u>177,030</u>	<u>101,697</u>	<u>278,727</u>	<u>537,741</u>
NET INCOME/(EXPENDITURE)		63,561	(43,675)	19,886	86,157
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>136,628</u>	<u>67,181</u>	<u>203,809</u>	<u>117,652</u>
TOTAL FUNDS CARRIED FORWARD		<u>200,189</u>	<u>23,506</u>	<u>223,695</u>	<u>203,809</u>

The notes form part of these financial statements.

BALANCE SHEET

31 December 2023

		Unrestricted fund £	Restricted fund £	31.12.23 Total funds £	31.12.22 Total funds £
	Notes				
FIXED ASSETS					
Tangible assets	9	4,365	-	4,365	3,481
CURRENT ASSETS					
Debtors	10	2,859	-	2,859	3,074
Cash at bank		<u>207,040</u>	<u>23,506</u>	<u>230,546</u>	<u>236,212</u>
		209,899	23,506	233,405	239,286
CREDITORS					
Amounts falling due within one year	11	(14,075)	-	(14,075)	(38,958)
NET CURRENT ASSETS					
		<u>195,824</u>	<u>23,506</u>	<u>219,330</u>	<u>200,328</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>200,189</u>	<u>23,506</u>	<u>223,695</u>	<u>203,809</u>
NET ASSETS					
		<u>200,189</u>	<u>23,506</u>	<u>223,695</u>	<u>203,809</u>
FUNDS					
Unrestricted funds	12			200,189	136,628
Restricted funds				<u>23,506</u>	<u>67,181</u>
				<u>223,695</u>	<u>203,809</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 26 March 2024 and were signed on its behalf by:

Mr M W Knight -
Trustee

The notes form part of this financial statements

CASH FLOW STATEMENT

for the Year Ended 31 December 2023

		31.12.23	31.12.22
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	<u>(3,861)</u>	<u>112,675</u>
Net cash (used in)/provided by operating activities		<u>(3,861)</u>	<u>112,675</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(1,805)</u>	<u>(645)</u>
Net cash used in investing activities		<u>(1,805)</u>	<u>(645)</u>
 Change in cash and cash equivalents in the reporting period		(5,666)	112,030
 Cash and cash equivalents at the beginning of the reporting period		<u>236,212</u>	<u>124,182</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>230,546</u></u>	<u><u>236,212</u></u>

The notes form part of this financial statements

NOTES TO THE CASH FLOW STATEMENT

for the Year Ended 31 December 2023

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

	31.12.23	31.12.22
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	19,886	86,157
Adjustments for:		
Depreciation charges	770	616
Loss on disposal of fixed assets	151	-
Decrease/(increase) in debtors	215	(1,131)
(Decrease)/increase in creditors	(24,883)	27,033
Net cash (used in)/provided by operations	<u>(3,861)</u>	<u>112,675</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23	Cash flow	At 31.12.23
	£	£	£
Net cash	236,212	(5,666)	230,546
Cash at bank	236,212	(5,666)	230,546
Total	<u>236,212</u>	<u>(5,666)</u>	<u>230,546</u>

The notes form part of this financial statements

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31 December 2023

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.

continued...

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.

2. DONATIONS AND LEGACIES

	31.12.23 £	31.12.22 £
Donations	24,149	3,917
Grants	274,464	619,981
	<u>298,613</u>	<u>623,898</u>

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

	31.12.23 £	31.12.22 £
Global Partnership Centre	262,266	279,875
The Korean Government Fellowship	6,600	-
UNICEF	-	337,106
The Green Hall Foundation	-	3,000
Home Office	5,628	-
	<u>274,464</u>	<u>619,981</u>

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 4) £	Totals £
Activities undertaken directly	<u>260,931</u>	<u>17,796</u>	<u>278,727</u>

continued...

4. SUPPORT COSTS

Within activities undertaken by the charity are £17,796 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):

	31.12.23 £	31.12.22 £
Depreciation - owned assets	770	616
Other operating leases	11,716	8,160
Deficit on disposal of fixed assets	151	-
Auditors fee	7,000	4,800

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the period ended 31 December 2023.

Trustees' expenses

There were trustees' expenses totalling £389.87 paid for during the period ended 31 December 2023. The expenses were reimbursing the trustees' for expenses incurred on behalf of the charity.

7. STAFF COSTS

	31.12.23 £	31.12.22 £
Wages and salaries	146,925	189,504
Social security costs	9,207	12,209
Other pension costs	3,415	3,294
	<u>159,547</u>	<u>205,007</u>

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

	31.12.23	31.12.22
Management	2	2
Administration	3	6
	<u>5</u>	<u>8</u>

Key management personnel are deemed to be H Yang, Z Douglas-Sori and D King with total salary costs of £77,307 combined. H Yang left employment in March 2023. There were no employees with emoluments in excess of £60,000.

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8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	270,168	353,730	623,898
EXPENDITURE ON			
Charitable activities			
Activities undertaken directly	250,777	286,964	537,741
NET INCOME	19,391	66,766	86,157
RECONCILIATION OF FUNDS			
Total funds brought forward	117,237	415	117,652
TOTAL FUNDS CARRIED FORWARD			

continued...

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2023	4,845
Additions	1,805
Disposals	(211)
At 31 December 2023	<u>6,439</u>
DEPRECIATION	
At 1 January 2023	1,364
Charge for year	770
Eliminated on disposal	(60)
At 31 December 2023	<u>2,074</u>
NET BOOK VALUE	
At 31 December 2023	<u>4,365</u>
At 31 December 2022	<u>3,481</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.23 £	31.12.22 £
Prepayments	<u>2,859</u>	<u>3,074</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.23 £	31.12.22 £
Trade creditors	306	-
Social security and other taxes	3,323	4,813
Pension liability	596	909
Accrued expenses	<u>9,850</u>	<u>33,236</u>
	<u>14,075</u>	<u>38,958</u>

12. MOVEMENT IN FUNDS

	At 1.1.23 £	Net movement in funds £	At 31.12.23 £
Unrestricted funds			
General fund	136,628	63,561	200,189
Restricted funds			
Restricted fund	67,181	(43,675)	23,506
TOTAL FUNDS	<u>203,809</u>	<u>19,886</u>	<u>223,695</u>

continued...

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	240,591	(177,030)	63,561
Restricted funds			
Restricted fund	58,022	(101,697)	(43,675)
TOTAL FUNDS	<u>298,613</u>	<u>(278,727)</u>	<u>19,886</u>

Comparatives for 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	<u>117,652</u>	<u>86,157</u>	<u>203,809</u>

Comparative 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>

continued...

12. MOVEMENT IN FUNDS - continued

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

	At 1.1.22 £	Net movement in funds £	At 31.12.23 £
Unrestricted funds			
General fund	117,237	82,952	200,189
Restricted funds			
Restricted fund	415	23,091	23,506
TOTAL FUNDS	<u>117,652</u>	<u>106,043</u>	<u>223,695</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	510,759	(427,807)	82,952
Restricted funds			
Restricted fund	411,752	(388,661)	23,091
TOTAL FUNDS	<u>922,511</u>	<u>(816,468)</u>	<u>106,043</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 £262,236 (2022: £279,875) in grants from Good Neighbors (Global Partnership Centre).

During the year Good Neighbours UK moved premises and are now operating within premises owned by York CVS. Matthew Knight is both a trustee of York CVS and Good Neighbours UK. The premises are rented on a commercial basis and an agreement is in place between both parties. Matthew Knight has no influence on the terms of this commercial agreement.

continued...

14. RESTRICTED/UNRESTRICTED FUNDS

During the period Good Neighbours UK received both unrestricted and restricted funds. The restricted funds received totalled £58,022, with restricted expenditure totalling £101,697. Once the restricted funds brought forward from 2022 are taken into account there is a balance held of £23,506.

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. Restricted funds carried forward consist of:

- £11,300 monies specified for use on humanitarian projects in Ukraine
- £200 monies restricted for use on Girls Education and WASH projects
- £12,006 monies restricted for use on projects specified by Scarborough Friends of Refugees (SFOR).

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. Known committed income includes the three year funding addendum from Good Neighbors (Global Partnership Centre). 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 2023

INCOME AND ENDOWMENTS	31.12.23 £	31.12.22 £
Donations and legacies		
Donations	24,149	3,917
Grants	274,464	619,981
	<u>298,613</u>	<u>623, 898</u>
Total incoming resources	298,613	623, 898
EXPENDITURE Charitable activities		
Wages	146,925	189,504
Social security	9,207	12, 209
Pensions	3,415	3,294
Other operating leases	11,716	8,160
Marketing and public relations	518	1,920
Networking and research	12,839	10,300
Proposal writers	1,356	-
Project costs	54,350	278,350
Insurance	507	480
Printing, postage and stationery	1,710	1,414
Subscriptions and licenses	3,424	3,248
Advertising and website	2,355	7,990
Telephone and internet charges	1,746	3,281
Training	804	77
Repairs and renewals	799	387
Accommodation and subsistence	3,063	1,147
Travelling	5,051	3,736
Employee costs	225	185
Fixtures and fittings	770	616
Loss on sale of tangible fixed assets	151	-
	<u>260,931</u>	<u>526, 298</u>
Support costs		
Governance costs		
Accountancy fees	4,327	3,687
Legal fees	3,617	2,160
Bank charges	497	346
Human resource consultants	2,355	450
Audit fees	7,000	4,800
	<u>17,796</u>	<u>11, 443</u>
Total Resources expended	<u>278,727</u>	<u>537,741</u>
Net income	19,886	86,157



THANK YOU, FOR ALL YOUR SUPPORT

- GNAK Team