



# **FRIENDS TRUSTS LIMITED**

## **Report and Financial Statements for the year ended 31 December 2023**

**Company Registered in England No. 00188362**

**Registered Charity No. 237698**

# FRIENDS TRUSTS LIMITED

## REFERENCE AND ADMINISTRATIVE INFORMATION

### Constitution:

The Company is the denominational trust corporation and custodian trustee for the Religious Society of Friends (Quakers) in Britain by an authorisation issued under the Law of Property (Amendment) Act 1926 by the Lord High Chancellor on 29 May 1930. The Company is limited by guarantee and has no share capital. In the event of the Company being wound up during the period of membership, or within the year following, each member is required to contribute an amount not exceeding £1.

Company registration number: 00188362  
Country of incorporation: United Kingdom  
Charity registration number: 237698  
Country of registration: England and Wales

The Directors (or trustees for the purposes of charity legislation) who served during the year and up to the date of this report were:

Directors:

- Nigel Barnes (to March 2024)
- Steven Burkeman (to May 2024)
- David Harries
- Nick Perks
- Paul Whitehouse (as BYM Treasurer)
- Stephen Wright (resigned 8 March 2023)
- Paul Wyatt (resigned 7 July 2023)
- Mark Tod from 25/04/2024
- Malcolm Sterratt from 25/04/2024
- Alison Clarke from 25/04/2024
- John Capper from 25/04/2024
- Alastair Thomas from 25/04/2024

Secretary:

- Sarah Chemonges (to 28 September 2023)
- John Dash (from 28 September 2023)

Registered Office:

- Friends House
- 173 – 177 Euston Road
- London, NW1 2BJ

Main Bankers:

- The Co-operative Bank plc
- 60 Kingsway
- London, WC2B 6DS

- CafCash Limited
- Kings Hill
- West Malling, ME19 4TA

Investment Managers:

- Rathbone Greenbank Investments
- 10 Queen Square
- Bristol, BS1 4NT

Solicitors:

- Nelsons
- Sterne House, Lodge Lane
- Derby, DE1 3WD

Auditors:

- Sayer Vincent
- 110 Golden Lane
- London
- EC1Y 0TG

## **FRIENDS TRUSTS LIMITED**

### **Report of the Directors for the year ended 31 December 2023**

The Directors have pleasure in presenting their report and the audited financial statements of the charitable company for the year ended 31 December 2023.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 but equates to a report of the directors for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 13 and 14 of the attached financial statements and comply with the charitable company's Articles of Association, applicable laws and the requirements 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), issued by the Charity Commission (effective 1 January 2019).

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The names of the directors who served during the year, and who were in office at the date on which this report and attached financial statements were approved, are shown on page 2.

The Treasurer of Britain Yearly Meeting (BYM) is a director ex-officio. The other directors, who must be members of the Religious Society of Friends (Quakers), (the "Society"), are appointed by Meeting for Sufferings, the executive body of the Society in Britain, to hold office for 3 years, retiring by annual rotation. They may be re-appointed. On appointment new Directors are provided with a copy of the articles of association, copies of the minutes and financial statements for the previous year and other induction material. When appropriate they are invited to attend training provided by Britain Yearly Meeting (the charity that carries out the central work of the Society) for trustees and committee members. The day-to-day management of the Company was carried out by the Company Secretary whose services are provided without charge by BYM. All policy decisions are taken by the Board of Directors, which usually meets four times a year. The Directors are the only company members and their liability is limited to £1 due to the Company being limited by guarantee. The number of guarantees at 31 December 2023 was 7 (2022: 8)

### **Relationships between BYM and related Parties**

The company works in close partnership with Britain Yearly Meeting which provides secretarial and administrative support for the work of Friends Trusts Limited.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The trustees (who are also directors of Friends Trusts Limited for the purposes of company law) 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).

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

## **FRIENDS TRUSTS LIMITED**

### **Report of the Directors for the year ended 31 December 2023**

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

## **OBJECTS**

The Company's objects are set out in full in its Articles of Association but the principal object of the Company is to act as custodian trustee or nominee for the Religious Society of Friends (Quakers) in Britain (the Society) and various bodies connected with the Society. The Company also administers certain trusts where it has been appointed managing trustee.

## **ACTIVITIES**

### **Custodian Trustee or Nominee**

In excess of 450 properties are held in the name of Friends Trusts Limited on behalf of more than 70 organisations and in excess of 120 investments on behalf of more than 50 beneficial owners.

The Company is the denominational trust corporation for the Religious Society of Friends (Quakers). The majority of the beneficial owners for which it acts as custodian trustee or nominee are unincorporated constituent meetings of the Society, together with a small number of organisations constituted for the benefit of, or in connection with, the Society (see note 10).

Properties are recorded in a Register under the name of the beneficial owner and investments are held with designated account numbers unique to each beneficial owner. Transactions in property and investments are carried out on instructions from managing trustees or beneficial owners.

### **Managing Trustee**

The Company administers certain trusts where it has been appointed managing trustee. The income is distributed in accordance with the terms of each trust.

## **FRIENDS TRUSTS LIMITED**

### **Report of the Directors for the year ended 31 December 2023**

#### **Charitable Activities - Distributions**

The distribution of the income from some managed trusts is at the discretion of the Directors and, in these cases, the policy is to pass the funds to Britain Yearly Meeting in support of its central work.

Where legacies are left to the Company without a binding obligation, the Directors will endeavour to observe any wishes expressed in the will. If no wishes are expressed, the policy is to pass the funds to Britain Yearly Meeting in support of its central work.

#### **Legacies and Funds Awaiting Distribution**

The nomination of the Company as trustee in legacies means that registered charitable status can easily be confirmed for inheritance tax exemption purposes and legacies do not fail through uncertainty.

During the year the Company received £241,376 (2022: £914,228) for passing on to other Quaker charities in accordance with the terms of those legacies. These amounts are not included within the Statement of Financial Activities.

#### **PUBLIC BENEFIT**

The Directors have considered the Charity Commission's guidance on public benefit and have had regard to it in their administration of the Company. In its principal role as custodian trustee, the Company helps to promote, support and maintain Quaker Meetings and other Quaker charities which provide public benefit through the provision of religious services open to all members of the public without charge and the establishment of a worshipping community carrying out other connected charitable work. In promoting the efficiency and effectiveness of the work of Quaker Meetings and other Quaker charities for the benefit of individuals, communities and society as a whole, the Directors believe that the work of the Company provides benefit to the public in accordance with its objects.

As managing trustee of charitable trusts it provides grants for charitable purposes to members of the public or for other charitable purposes in accordance with the terms of such trusts, again for public benefit in accordance with its objects.

The Directors believe that there is no disbenefit or private benefit in the Company's work.

#### **FINANCIAL REVIEW**

	<b>2023</b>	<b>2022</b>
	£	£
Total and endowments	164,960	259,685
Income from legacies	(16,337)	121,469
Investment income	143,370	127,735
Total expenditure in the year	230,325	162,327
Overall net (loss)/profit before investment gains/(losses)	(65,365)	97,358
Realised and unrealised investment profit/(loss)	459,579	(1,358,631)
Net positive movement in funds	394,214	1,261,273
Total net assets	7,383,244	6,989,030
Investments market value	6,914,717	6,486,468

## **FRIENDS TRUSTS LIMITED**

### **Report of the Directors for the year ended 31 December 2023**

The financial position of the Company does not include the accounts for those trusts and Quaker Meetings and organisations for which the Company acts as custodian trustee, nominee or agent only.

#### **Investment Policy and Performance**

None of the trusts for which the Company is managing trustee contain any specific power for investment, so the provisions of the Trustee Act 2000 determine the powers of investment.

The Board has adopted a socially responsible investment policy so that only investments that conform to certain criteria are held. The policy incorporates the aim to maximise returns from investments within a medium level of risk. Investments are managed by discretionary managers appointed by the Board, currently Rathbone Greenbank.

Performance is reviewed regularly against the agreed benchmarks. During the year, both the Common Investment Fund portfolio and the Blackwell Trust portfolios slightly underperformed against the MSCI PIMFA Balanced and bespoke benchmark TR4, but exceeded CPI+3% which is the long term return objective.

#### **Risk Management**

Friends Trusts Ltd has a risk management policy, which has been set and agreed by the Directors. The policy is designed to identify and analyse key strategic and operational risks facing Friends Trusts Ltd and, where at unacceptable levels, to take steps to mitigate the risks.

We define key strategic and operational risks as those that, without effective or appropriate mitigation, are highly likely to occur and would have a positive or negative impact on the Company's ability to fulfil its purposes. These risks are reported to the Directors through a risk management process which allows them both to challenge any assumptions the management team has made about risks and also to understand the context in which decisions are taken. This helps to ensure that the most serious risks are being managed effectively.

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

The principal risks are identified as follows:

*The potential loss of capital value and / or poor returns in relation to investments.* The Directors consider that the appointment of a discretionary investment manager together with annual reviews of the investment policy and of performance against benchmarks constitutes an appropriate control procedure.

*Staff capacity and continuity.* Trustees have agreed with Britain Yearly Meeting the importance of having a single point of contact for Trustees and for external communications with Area Meetings, for maintaining good records, and to hold an overview of FTL's activity. This was implemented during the year.

## **FRIENDS TRUSTS LIMITED**

### **Report of the Directors for the year ended 31 December 2023**

*Unrestricted income and reserve levels* limits the ability of Directors to fund initiatives of strategic importance for the Company. It is now recognised that the Company needs to develop its infrastructure to achieve its objectives and the Company is now building up its reserves.

#### **Reserves Policy**

Up until 2019, it was the policy of the Board to minimise the amounts of reserves (other than endowment funds) by distributing annually most of the income received by the restricted and general funds. Under the current operational arrangements, the Company does not employ any staff or have any other significant regular operational costs. Nevertheless, the Directors recognise the need to develop the Company's infrastructure, and to maintain some modest reserves to give greater flexibility and resilience. Within the current operational arrangements, trustees consider this sufficient whilst they review the situation during the next year.

At the end of the year, unrestricted reserves amount to £166k (2022: £181k). It is felt that these reserves are sufficient.

#### **Going Concern**

We have set out above a review of Friends Trust Limited's financial performance and the general reserves position for 2023 and changing risk profile. The financial position as at 31 December 2023 remains stable despite the uncertainties in the wider economy. Our net current assets (short-term bank deposits, monies owed to us, less monies owed by us and payable within one year) amount to £469k.

Following appointments made by BYM during the year, the company now has adequate staff capacity in place. New Director appointments have also recently been made to replace outgoing Directors, ensuring that the Board can be maintained in the coming years.

We will continue to monitor the situation as it unfolds and adapt our finances and approach accordingly. Taking into account all factors, we do not believe there are material uncertainties that call into doubt Friends Trust Limited's ability to continue in operation for the foreseeable future. Accordingly, the financial statements have been prepared on the basis that Friends Trust Limited is a going concern.

#### **PLANS FOR FUTURE PERIODS**

The short term focus of the company is to ensure that all operational systems and processes, and the service to Area Meetings, is up to a good standard. Significant progress has been made during the year, though there is further work to do.

The Directors have initiated the development of a Memorandum of Understanding to set out the relationship between the company and Britain Yearly Meeting. This is expected to be finalised and agreed in the near future.

A number of Directors came to the end of their appointments during the year and in the first half of 2024. New appointments have been made to the Board, and Directors look forward to working as a refreshed governance team.

New auditors were appointed during the year. Sayer Vincent bring additional capacity and expertise as leading charity auditors.

## **FRIENDS TRUSTS LIMITED**

### **Report of the Directors for the year ended 31 December 2023**

Directors have begun a review of our internal principles for managing and distribution of trusts where the company has been appointed managing trustee, and hope to progress this further in the coming year.

The Directors continue to reflect on the overall approach of the company, in order to put in place longer term plans.

### **AUDITORS**

Elective resolutions, as defined by the Companies Act 2006, have been approved which dispense with:

- (a) the laying of financial statements and reports before a general meeting,
- (b) the holding of an annual general meeting each year, and
- (c) the need to reappoint auditors.

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

By Order of the Board on 21 June 2024

PAUL WHITEHOUSE  
Director

NICK PERKS  
Director

# FRIENDS TRUSTS LIMITED

## Statement of Financial Activities for the year ended 31 December 2023

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023
		£	£	£	£
<b>Income and endowments from:</b>	2				
Donations		200	-	-	200
Donated services		37,727	-	-	37,727
Legacies		(16,337)	-	-	(16,337)
Investments		1,319	134,266	7,785	143,370
<b>Total</b>		<b>22,909</b>	<b>134,266</b>	<b>7,785</b>	<b>164,960</b>
<b>Expenditure on:</b>					
Raising funds: investment management charges		-	-	31,532	31,532
Charitable activities	3	37,728	168,215	(7,150)	198,791
<b>Total</b>		<b>37,728</b>	<b>168,214</b>	<b>24,382</b>	<b>230,325</b>
Net (losses) before investment gains		(14,819)	(33,949)	(16,597)	(65,365)
Gains / (losses) on investment assets		-	-	459,579	459,579
<b>Net income/(expenditure)</b>		<b>(14,819)</b>	<b>(33,949)</b>	<b>442,982</b>	<b>394,214</b>
<b>Transfers between funds</b>	5.1a	-	-	-	-
<b>Net movement in funds</b>		<b>(14,819)</b>	<b>(33,949)</b>	<b>442,982</b>	<b>394,214</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		181,031	290,774	6,517,225	6,989,030
<b>Total funds carried forward</b>		<b>166,212</b>	<b>256,825</b>	<b>6,960,207</b>	<b>7,383,244</b>

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 13 to 27 form part of these financial statements.

All of the above results are derived from continuing activities.

# FRIENDS TRUSTS LIMITED

## Statement of Financial Activities for the year ended 31 December 2022

Comparative information as follows:

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022
		£	£	£	£
<b>Income and endowments from:</b>	2				
Donated services		10,481	-	-	10,481
Legacies		121,469	-	-	121,469
Investments		(5,895)	127,408	6,222	127,735
Deposit accounts and bank interest		-	-	-	-
Other		-	-	-	-
<b>Total</b>		<b>126,055</b>	<b>127,408</b>	<b>6,222</b>	<b>259,685</b>
<b>Expenditure on:</b>					
Raising funds: investment management charges		-	-	33,813	33,813
Charitable activities	3	10,281	72,538	45,695	128,514
<b>Total</b>		<b>10,281</b>	<b>72,538</b>	<b>79,508</b>	<b>162,327</b>
Net profits/(losses) before investment losses		115,774	54,870	(73,286)	97,358
Gains/(losses) on investment assets		-	-	(1,358,631)	(1,358,631)
<b>Net income/(expenditure)</b>		<b>115,774</b>	<b>54,870</b>	<b>(1,431,917)</b>	<b>(1,261,273)</b>
<b>Transfers between funds</b>	5.1a	-	-	-	-
<b>Net movement in funds</b>		<b>115,774</b>	<b>54,870</b>	<b>(1,431,917)</b>	<b>(1,261,273)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		65,257	235,904	7,949,142	8,250,303
<b>Total funds carried forward</b>		<b>181,031</b>	<b>290,774</b>	<b>6,517,225</b>	<b>6,989,030</b>

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 13 to 27 form part of these financial statements.

**FRIENDS TRUSTS LIMITED**  
**Company Registration No. 00188362 (England and Wales)**

**BALANCE SHEET**  
**AT 31 DECEMBER 2023**

	Notes	£	2023 £	£	2022 £
<b>Fixed assets:</b>					
Investments	6		6,914,717		6,486,468
<b>Total fixed assets</b>			<b>6,914,717</b>		<b>6,486,468</b>
<b>Current Assets:</b>					
Debtors	7	493		18,290	
Cash at bank and on deposit		1,054,596		1,052,274	
<b>Total current assets</b>			<b>1,055,089</b>		<b>1,070,564</b>
<b>Liabilities:</b>					
Legacies and funds awaiting distribution	8	(403,015)		(379,951)	
Other creditors	9	(183,547)		(188,051)	
Creditors: Amount falling due within one year			(586,562)		(568,002)
<b>Net current assets</b>			<b>468,527</b>		<b>502,562</b>
<b>Total net assets</b>			<b>7,383,244</b>		<b>6,989,030</b>
<b>The funds of the charity:</b>					
Total endowment funds	5.2		6,960,207		6,517,225
Restricted income funds	5.3		256,825		290,774
Unrestricted funds	5.4		166,212		181,031
<b>Total charity funds</b>			<b>7,383,244</b>		<b>6,989,030</b>

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

The notes on pages 13 to 27 form part of these financial statements.

Approved on behalf of the Board of Directors on 21 June 2024.

PAUL WHITEHOUSE  
Director

NICK PERKS  
Director

**FRIENDS TRUSTS LIMITED****Statement of Cash Flows for year ending 31 December 2023****CASH FLOW STATEMENT**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Operating activities</b>		
Net movement in funds	394,215	(1,261,273)
Dividends	(143,370)	(127,735)
Interest	-	-
Investment management fees	31,533	33,813
(Gains)/losses on investments	(376,585)	1,358,631
Decrease in debtors	17,797	6,829
Increase in creditors	18,560	101,974
	<b>(57,850)</b>	<b>112,239</b>
<b>Investing activities</b>		
Investment management fees	(31,533)	(33,813)
Purchase of investments	(627,929)	(1,264,163)
Proceeds from sale of investments	576,265	1,301,095
Interest received	-	-
Dividends received	143,370	124,467
	<b>60,173</b>	<b>127,586</b>
 Increase/(decrease) in cash in year	 2,323	 239,825
Cash at beginning of year	1,052,273	812,448
Cash at end of year	<b>1,054,596</b>	<b>1,052,273</b>

The notes on pages 13 to 27 form part of these financial statements.

## **FRIENDS TRUSTS LIMITED**

### **Notes to the Financial statements**

#### **1. Principal accounting policies**

##### **1.1. Basis of accounting**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity.

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

The financial statements do not include the transactions and net assets of entities for which the Company acts as custodian trustee.

The directors consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

##### **1.2. Funds**

*Unrestricted funds:* to be utilised at the discretion of the Directors for the benefit of, or in connection with, the Religious Society of Friends (Quakers).

*Restricted funds:* earmarked by the donor or testator for specific purposes.

*Endowment funds:* comprise monies that must be held as capital, either indefinitely or pending the occurrence of a future event.

##### **1.3. Income recognition**

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holdings of listed investments and includes dividends and interest. Income from listed investments is recognised according to the relevant distribution dates. Interest is recognised on a receivable basis.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Legacies over which the charity has no discretion as to their distribution and which have been received but are awaiting completion and distribution to the ultimate beneficiary are held in a separate account. As such these legacies are only held temporarily on trust and the Directors consider that the appropriate treatment of their receipt and distribution is through a legacies account rather than through the Statement of Financial Activities.

**FRIENDS TRUSTS LIMITED**  
**Notes to the Financial statements (continued)**

Donated services are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**1.4. Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds which comprise investment management fees relating to the charity's portfolio of listed investments
- Expenditure on charitable activities which comprise the costs of distributions of trust income under the terms of the various trusts where the Company acts as managing trustee

All expenditure on support costs such as governance, including audit fees, is met by Britain Yearly Meeting (see note 4).

**1.5. Investments**

Listed investments are recognised initially at fair value which is normally the transaction price. Subsequently, they are measured at fair value (quoted market value on a recognised stock exchange) at the balance sheet date with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities. Also included in the Statement of Financial Activities are realised investment gains or losses which represent the difference between the sale proceeds and opening market value of investments disposed of in the year. All investments and landed properties, of which the Company is custodian trustee only, and income therefrom, are excluded from these financial statements.

**1.6. Taxation**

Since the Company's income falls within the various exemptions available to registered charities there is no liability for income tax, capital gains tax, corporation tax or inheritance tax. Any attributable VAT is accounted for within resources expended.

**1.7. Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.8. Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.9. Creditors**

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**FRIENDS TRUSTS LIMITED**  
**Notes to the Financial statements (continued)**

**2. Income:**

	<b>Unrestricted Funds</b>		<b>Restricted Funds</b>		<b>Endowment Funds</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	£	£	£	£	£	£
Donations	<b>200</b>	-	-	-	-	-
Donated Services	<b>37,727</b>	10,481	-	-	-	-
Legacies	<b>(16,337)</b>	121,469	-	-	-	-
Investments	<b>1,319</b>	(5,895)	<b>134,266</b>	127,408	<b>7,785</b>	6,222
<b>Total</b>	<b>22,909</b>	<b>126,055</b>	<b>134,266</b>	<b>127,408</b>	<b>7,785</b>	<b>6,222</b>

# FRIENDS TRUSTS LIMITED

## Notes to the Financial statements (continued)

### 3. Charitable Expenditure: Analysis and Previous Year Comparatives

	Unrestricted Funds		Restricted Funds		Endowment Funds	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
<b>Charitable Distributions in accordance with terms of trust</b>						
At the discretion of the board						
Grants to individuals	-	-	16,640	28,636		
Grants to institutions	-	-	151,575	43,902	(7,150)	45,695
Support costs	28,991	7,731	-	-	-	-
Audit fees	7,800	2,550	-	-	-	-
Other fees paid to auditors	936	-	-	-	-	-
<b>Total</b>	<b>37,727</b>	<b>10,281</b>	<b>168,215</b>	<b>72,538</b>	<b>(7,150)</b>	<b>45,695</b>

Expenditure in 2023 and 2022 was incurred in respect of distributing donations, legacies and income from endowments, primarily to various Quaker organisations, in accordance with the wishes of donors and legators. In 2023, 63 distributions (2022: 83) for individual assistance were given in the United Kingdom, Germany and Poland, all less than £1,000 each.

The distribution of the income from some managed trusts is at the discretion of the Directors and, in these cases, the policy is to pass the funds to Britain Yearly Meeting in support of its central work. This is partly in recognition of the staffing and services it provides to the Company without charge. Where legacies are left to the Company without a binding obligation, the Directors will endeavour to observe any wishes expressed in the will. If no wishes are expressed, the policy is to pass the funds to Britain Yearly Meeting in support of its central work.

Negative costs on Endowment funds in 2023 relate to written back grants that were awarded in previous years.

### 4. Administration and governance costs

The costs of administrative support are provided by Britain Yearly Meeting in recognition of the role of the Company as the denominational trust corporation for the Religious Society of Friends. The sum of £37,727 (2022: £10,281) has been included in the Statement of Financial Activities as donated services and support costs and audit fees.

**FRIENDS TRUSTS LIMITED**  
**Notes to the Financial statements (continued)**

**5. Funds**

**5.1. Fund purposes**

**a) Endowment Funds**

<b>Fund</b>	<b>Purpose for which the income is to be applied</b>
Anonymous MC98 Blackwell	General Fund of Britain Yearly Meeting. At the discretion of the Board taking account of the settlor's wishes.
Braithwaite	At the Board's discretion in consultation with settlor's representative.
Colenso Cox	General Purposes but income is for the relief of poverty. Britain Yearly Meeting for the provision and maintenance of Meeting Houses.
Doncaster	40% Worcester & Shropshire Area Quaker Meeting 20% South Wales Area Quaker Meeting 20% Southern Marches Area Quaker Meeting (212/286) & Mid-Wales Area Quaker Meeting (74/286) 20% Britain Yearly Meeting (Peace and Service)
General Gifts and Legacies	At the discretion of the Board.
Northern Friends Peace Board	For Northern Friends' Peace Board.
Simmons	For Britain Yearly Meeting taking account of the settlor's wishes.
Stewart	80% Sussex & Surrey Regional Quaker Meeting 20% Tunbridge Wells Quaker Meeting
Todd	For Meeting House repairs and purchases in the Kingston-upon-Thames area.
Ward	At the discretion of the Board taking account of the settlor's wishes.
Wirral & North Wales	For Wirral & Chester and North Wales Area Quaker Meetings.
Witting	Individual relief: 40% England, 40% Germany, 20% Poland.
Young Friends General Meeting	For Young Friends General Meeting.

The capital of endowment funds is both expendable and non-expendable. With the exception of the General Gifts and Legacies Fund where income is credited to the unrestricted fund, income is treated as restricted funds and distributed in accordance with the above purposes.

The terms of the Blackwell legacy include the requirement that 10% of the income be added to the capital and invested.

**b) Restricted Funds**

These funds consist of the undistributed restricted income from the endowment funds (see 5.1.a). It is the policy of the Board to distribute the balances in the income funds annually.

**c) Unrestricted Funds**

The unrestricted funds consist of the undistributed income from the General Gifts and Legacies endowment fund, and other gifts and legacies received during the year by the Company for distribution at the Directors' discretion. It is the policy of the Board to distribute this annually.

**FRIENDS TRUSTS LIMITED**  
**Notes to the Financial statements (continued)**

Analysis of net assets between funds

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total 2023</b>	<b>Total 2022</b>
	£	£	£	£	£
Funds balances at 31 December are represented by:					
Investments	-	-	6,914,717	<b>6,914,717</b>	6,486,468
Net Current Assets	166,212	256,825	45,490	<b>468,577</b>	502,562
	<u>166,212</u>	<u>256,825</u>	<u>6,960,207</u>	<u><b>7,383,244</b></u>	<u>6,989,030</u>

Comparative information as follows:

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total 2022</b>	<b>Total 2021</b>
	£	£	£	£	£
Funds balances at 31 December are represented by:					
Investments	-	-	6,486,468	6,486,468	7,878,764
Net Current Assets	181,301	290,774	30,757	502,562	371,539
	<u>181,301</u>	<u>290,774</u>	<u>6,517,225</u>	<u>6,989,030</u>	<u>8,250,303</u>

5.2. Endowment funds

**Expendable:**

	<b>Balance as at 1 Jan 2023</b>	<b>Income Resources</b>	<b>Resources Expended</b>	<b>Unrealised &amp; Realised Gains (Losses)</b>	<b>Transfers</b>	<b>Balance as at 31 Dec 2023</b>
	£	£	£	£	£	£
Braithwaite	106,255	-	1,243	7,935	-	115,433
Colenso	335,045	-	3,812	24,335	-	363,192
Doncaster	366,128	-	(1,776)	27,345	-	391,697
General Gifts and Legacies	834,697	838	(3,982)	61,305	-	892,858
Northern Friends Peace Board	29,899	-	(145)	2,234	-	31,988
Rowntree	-	-	-	-	-	-
Ward	94,188	-	(457)	7,033	-	100,764
Young Friends General Meeting	30,757	-	(149)	2,298	-	32,906
<b>Total</b>	<b>1,796,969</b>	<b>838</b>	<b>(1,454)</b>	<b>132,485</b>	<b>-</b>	<b>1,928,838</b>

**FRIENDS TRUSTS LIMITED**  
**Notes to the Financial statements (continued)**

**Permanent:**

	Balance as at 1 Jan 2023	Income Resources	Resources Expended	Unrealised & Realised Gains (Losses)	Transfers	Balance as at 31 Dec 2023
	£	£	£	£	£	£
Anonymous MC98	484,764	-	(2,351)	36,205	-	518,618
Blackwell	2,911,978	6,845	(14,057)	192,046	-	3,096,812
Cox	788,989	-	(3,827)	58,924	-	844,086
Simmons	201,304	-	(976)	15,033	-	215,361
Stewart	94,944	-	(460)	7,090	-	101,574
Todd	207,590	-	(1,007)	15,504	-	222,087
Wirrall & North Wales	30,687	-	(149)	2,293	-	32,831
<b>Total</b>	<b>4,720,256</b>	<b>6,845</b>	<b>(22,827)</b>	<b>327,095</b>	<b>-</b>	<b>5,031,369</b>
<b>Total endowments</b>	<b>6,517,225</b>	<b>7,683</b>	<b>(24,281)</b>	<b>459,580</b>	<b>-</b>	<b>6,960,207</b>

Comparative information is as follows:

**Expendable:**

	Balance as at 1 Jan 2022	Income Resources	Resources Expended	Unrealised & Realised Gains (Losses)	Transfers	Balance as at 31 Dec 2022
	£	£	£	£	£	£
Braithwaite	130,584	2	(2,311)	(22,020)	-	106,255
Colenso	409,656	7	(7,089)	(67,529)	-	335,045
Doncaster	449,967	7	(7,966)	(75,880)	-	366,128
General Gifts and Legacies	1,008,811	282	(4,276)	(170,120)	-	834,697
Northern Friends Peace Board	36,748	1	(651)	(6,199)	-	29,899
Rowntree	-	-	-	-	-	-
Ward	115,753	3	(2,049)	(19,518)	-	94,189
Young Friends General Meeting	37,802	1	(669)	(6,377)	-	30,757
<b>Total</b>	<b>2,189,321</b>	<b>302</b>	<b>(25,011)</b>	<b>(367,643)</b>	<b>-</b>	<b>1,796,970</b>

**FRIENDS TRUSTS LIMITED**  
**Notes to the Financial statements (continued)**

**Permanent:**

	Balance as at 1 Jan 2022 £	Income Resources £	Resources Expended £	Unrealised & Realised Gains (Losses) £	Transfers £	Balance as at 31 Dec 2022 £
Anonymous MC98	595,770	10	(10,547)	(100,469)	-	484,764
Blackwell	3,537,482	5,883	(15,153)	(616,234)	-	2,911,978
Cox	969,653	16	(17,167)	(163,513)	-	788,989
Simmons	247,395	4	(4,380)	(41,715)	-	201,304
Stewart	116,681	2	(2,066)	(19,673)	-	94,944
Todd	255,124	4	(4,516)	(43,022)	-	207,590
Wirrall & North Wales	37,716	1	(668)	(6,362)	-	30,687
<b>Total</b>	<b>5,759,821</b>	<b>5,920</b>	<b>(54,497)</b>	<b>(990,988)</b>	<b>-</b>	<b>4,720,256</b>
<b>Total endowments</b>	<b>7,949,142</b>	<b>6,222</b>	<b>(79,508)</b>	<b>(1,358,631)</b>	<b>-</b>	<b>6,517,225</b>

**FRIENDS TRUSTS LIMITED**  
**Notes to the Financial statements (continued)**

5.3. Restricted Funds

**Permanent:**

	Balance as at 1 Jan 2023 £	Income Resources £	Resources Expended £	Transfers £	Balance as at 31 Dec 2023 £
Anonymous MC98	12,334	13,220	(12,536)	-	13,018
Blackwell	34,608	57,391	(32,851)	-	59,148
Cox	20,495	21,515	(20,403)	-	21,607
Simmons	5,108	5,489	(5,205)	-	5,392
Stewart	2,410	2,589	(2,455)	-	2,544
Todd	5,269	5,661	(5,368)	-	5,562
Wirrall & North Wales	779	837	-	-	1,616
<b>Total</b>	<b>81,003</b>	<b>106,702</b>	<b>(78,818)</b>	<b>-</b>	<b>108,887</b>

**Expendable:**

	Balance as at 1 Jan 2023 £	Income Resources £	Resources Expended £	Transfers £	Balance as at 31 Dec 2023 £
Braithwaite	2,493	2,897	(2,500)	-	2,890
Colenso	9,026	8,885	-	-	17,911
Doncaster	9,293	9,985	(10,523)	-	8,755
Northern Friends					
Peace Board	760	816	(774)	-	802
Rowntree	6,892	-	-	-	6,892
Ward	2,391	2,568	(3,230)	-	1,729
Witting Narrowly					
Restricted	178,135	1,573	(71,573)	-	108,135
Young Friends					
General Meeting	781	839	(796)	-	824
<b>Total</b>	<b>209,771</b>	<b>27,563</b>	<b>(89,396)</b>	<b>-</b>	<b>147,938</b>

<b>Total Restricted funds</b>	<b>290,774</b>	<b>134,265</b>	<b>(168,214)</b>	<b>-</b>	<b>256,825</b>
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Comparative information is as follows:

**Permanent:**

	Balance as at 1 Jan 2022 £	Income Resources £	Resources Expended £	Transfers £	Balance as at 31 Dec 2022 £
Anonymous MC98	(202)	12,536	-	-	12,334
Blackwell	40,341	52,659	(58,392)	-	34,608
Cox	92	20,403	-	-	20,495
Simmons	(97)	5,205	-	-	5,108
Stewart	(45)	2,455	-	-	2,410
Todd	(99)	5,368	-	-	5,269
Wirrall & North Wales	(15)	794	-	-	779
<b>Total</b>	<b>39,975</b>	<b>99,420</b>	<b>(58,392)</b>	<b>-</b>	<b>81,003</b>

**FRIENDS TRUSTS LIMITED**  
**Notes to the Financial statements (continued)**

**Expendable:**

	Balance as at 1 Jan 2022 £	Income Resources £	Resources Expended £	Transfers £	Balance as at 31 Dec 2022 £
Braithwaite	(255)	2,748	-	-	2,493
Colenso	1,550	8,426	(950)	-	9,026
Doncaster	(175)	9,468	-	-	9,293
Northern Friends Peace Board	(14)	774	-	-	760
Rowntree	6,892	-	-	-	6,892
Ward	(45)	2,436	-	-	2,391
Witting Narrowly Restricted	187,991	3,339	(13,195)	-	178,135
Young Friends General Meeting	(15)	96	-	-	781
<b>Total</b>	<b>195,929</b>	<b>27,987</b>	<b>(14,145)</b>	<b>-</b>	<b>209,771</b>
<b>Total Restricted funds</b>	<b>235,904</b>	<b>127,407</b>	<b>(72,538)</b>	<b>-</b>	<b>290,773</b>

5.4. Unrestricted Funds

	Balance as at 1 Jan 2023 £	Income Resources £	Resources Expended £	Transfer s £	Balance as at 31 Dec 2023 £
General Gifts and Legacies	181,031	22,909	(37,728)	-	166,212
<b>Total</b>	<b>181,031</b>	<b>22,909</b>	<b>(37,728)</b>	<b>-</b>	<b>166,212</b>

Comparative information is as follows:

	Balance as at 1 Jan 2022 £	Income Resources £	Resources Expended £	Transfer s £	Balance as at 31 Dec 2022 £
General Gifts and Legacies	65,257	126,055	(10,281)	-	181,031
<b>Total</b>	<b>65,257</b>	<b>126,055</b>	<b>(10,281)</b>	<b>-</b>	<b>181,031</b>

**FRIENDS TRUSTS LIMITED**  
**Notes to the Financial statements (continued)**

**6. Investments**

6.1. The types of investments held, and their market value, at 31 December were:

	Total 2023 £	Total 2022 £
Cash	157,061	232,449
Common investment funds		
OEICs and unit trusts	1,498,695	1,412,971
UK equities	2,533,233	2,475,219
UK fixed interest	826,894	765,944
Overseas equities	-	-
Overseas fixed interest	266,167	263,450
Overseas unit trusts	1,632,667	1,336,435
Total investments	<u>6,914,717</u>	<u>6,486,468</u>

6.2. Investment movements

	Total 2023 £	Total 2022 £
Market value at 1 January	6,486,468	7,878,764
Acquisition at cost	627,928	1,264,163
Disposal at carrying market value	(659,259)	(1,363,634)
Unrealised gains (losses) in year	459,580	(1,292,825)
Market value at 31 December	<u>6,914,717</u>	<u>6,486,468</u>
Historic cost	5,163,512	5,189,129

**FRIENDS TRUSTS LIMITED**  
**Notes to the Financial statements (continued)**

**7. Debtors**

	<b>Total 2023</b>	<b>Total 2022</b>
	£	£
Accrued Legacy Income	-	15,022
Other	493	3,268
Balance at 31 December	<u>493</u>	<u>18,290</u>

**8. Legacies and funds awaiting distribution**

	<b>Total 2023</b>	<b>Total 2022</b>
	£	£
Balance at 1 January	379,951	365,292
Funds and legacies received	241,376	914,228
Funds and legacies distributed	<u>(218,312)</u>	<u>(899,569)</u>
Balance at 31 December	<u>403,015</u>	<u>379,951</u>

**9. Other creditors**

	<b>Total 2023</b>	<b>Total 2022</b>
	£	£
Grants Payable	179,711	169,511
Other	<u>3,836</u>	<u>18,540</u>
Balance at 31 December	<u>183,547</u>	<u>188,051</u>

## FRIENDS TRUSTS LIMITED

### Notes to the Financial statements (continued)

#### 10. Custodian Trustee and Holding Trustee (Nominee)

The Company acts as custodian trustee or holding trustee (nominee) for land for the Religious Society of Friends (Quakers) in Britain (the "Society") and various bodies connected with the Society.

It acts in these capacities primarily for the Area Meetings of the Society, including constituent Local Meetings and other connected trusts. Area Meetings are the primary meetings for church affairs in the Society. The object of each Area Meeting is the furtherance of the general religious and charitable purposes of the Religious Society of Friends (Quakers) in Britain, locally and beyond.

The Company holds quoted and unquoted investments and/or land and buildings for the following **Area Meetings**:

Banbury & Evesham	Mid-Thames
Bournemouth Coastal	Mid-Wales
Brighouse West Yorkshire	Norfolk & Waveney
Bristol	North London
Cambridgeshire	North Somerset
Central England	North Wales
Central Yorkshire	North West London
Chilterns	Northamptonshire
Cornwall	Northumbria
Craven & Keighley	Nottinghamshire & Derbyshire
Cumberland	Oxford & Swindon
Devon	Pendle Hill
Dorset & South Wiltshire	Pickering & Hull
East Cheshire	Sheffield & Balby
East Kent	South Wales
Gloucestershire	Southern East Anglia
Hampshire & Islands	Southern Marches
Hardshaw & Mann	Staffordshire
Hertford & Hitchin	Surrey & Hampshire Border
Ipswich & Diss	Sussex East
Kendal & Sedbergh	Sussex West
Lancashire Central & North	Swarthmoor (South West Cumbria)
Leeds	Teesdale & Cleveland
Leicester	Thaxted
Lincolnshire	West Somerset
London West	West Kent
Luton & Leighton	West Weald
Manchester & Warrington	West Wiltshire & East Somerset
Mid-Essex	Wirral & Chester
Mid-Somerset	Worcestershire & Shropshire

## FRIENDS TRUSTS LIMITED

### Notes to the Financial statements (continued)

The Company holds **land and buildings** for the following organisations connected with the Society:

- Francis Camfield Trust
- Central England Quaker Old People's Fund Trust
- Charney Manor
- Glenthorne Quaker Centre
- London Quakers Service Trust
- Wensleydale & Swaledale Quaker Trust

In addition, the Company holds quoted and unquoted **investments and/or land and buildings** for the following organisations connected with the Society:

Ackworth School 1950 Trust	To hold funds of gifts, legacies, donations etc. for the benefit of Ackworth School.
Breckenbrough School: After Care Committee	To give help and advice to former pupils of Breckenbrough School.
Camfield's (Frances) Trust	Supporting individual Quakers in need witnessing to Christian and Quaker testimonies.
Central England Quaker Old People's Fund Trust	Charitable purposes for the benefit of the aged, particularly for those who are members of Central England Area Quaker Meeting of the Religious Society of Friends (Quakers).
Society of Friends - Charney Manor	Furthering the religious and other charitable purposes of the Society of Friends
Cole, Susanna (and others) charities	To support and help friends in need who are members or attenders of the Central England Area Quaker Meeting of the Religious Society of Friends (Quakers).
Friends Housing Bursary Trust	For the benefit of elderly poor persons in Great Britain who are in need of financial assistance to provide them with suitable housing accommodation.
Glenthorne Quaker Centre	To provide a place where Quaker spiritual, charitable and education concerns can be advanced.
George Gorman Memorial Fund	The advancement of (religious) education and the advancement of religion according to the principles and beliefs of the Religious Society of Friends.
Greenwood Educational Trust	To advance the education of persons under the age of 25 and in need of financial assistance who are connected with the Society of Friends in Essex or Suffolk.
Horniman (John) Trust: Bedford Institute Association	Income to be used by Quaker Social Action.
William Howard Charity	Grants to members of Quaker meetings who are undertaking further education or training to equip them for work.
Kingston Friends Trusts: Poor's Estate	Relief of poverty, sickness, old age or by assisting in education; promotion of the religious and spiritual work of the Society of Friends in connection with Kingston & Wandsworth Area Quaker Meeting.
London Quaker Service Trust	To further the work of the Society of Friends by the advancement of religion and the provision of facilities for educational, recreational and leisure time occupations, for persons who by reason of their social and economic circumstances have need of such facilities with the object of improving their conditions of life and developing their mental, physical and spiritual capacities.
Quaker Social Action	Through innovating schemes designed to promote social justice and the personal development and the physical and spiritual welfare of individuals and groups, to witness Quaker testimonies, to the equality of all humankind, to truth, to personal integrity and peace, and to promote co-operation and harmony between all people.

**FRIENDS TRUSTS LIMITED****Notes to the Financial statements (continued)**

Tickells (Hugh) Charity	For the general benefit of such poor people as the trustees in their discretion think fit.
Wensleydale & Swaledale Quaker Trust	<ol style="list-style-type: none"><li>1. The relief of Quakers, Attenders and other people who are in need, hardship or distress and are resident in the area of benefit;</li><li>2. The maintenance and upkeep of the Quaker meeting houses and burial grounds within the area of benefit;</li><li>3. To further the religious and other charitable deeds and works of the Wensleydale &amp; Swaledale Area Quaker Meeting in Britain and overseas.</li></ol>
Woodbrooke Quaker Study Centre	Provision of learning to Quakers and others to advance the Quaker faith and enhance understanding of social and spiritual matters.

**11. Directors remuneration and expenses**

No director receives any remuneration or is reimbursed any expenses by the Company.

Trustees are entitled to reimbursement of travelling, accommodation and out-of-pocket expenses incurred in the performance of their duties. There were no expenses reimbursed to the directors in 2022.

**12. Related party transactions**

By the nature of their role, the directors of the company are deemed to be related parties. As stated in Note 11 above, there were no expenses reimbursed to Trustees, nor donations received from Trustees in the year to 31 December 2023.

**Relationships between BYM and related Parties**

The company works in close partnership with Britain Yearly Meeting which provides secretarial and administrative support for the work of Friend Trust Limited. The value of the services are treated as donations and were £37,727 in 2023 (2022: £10,281)

## **Independent auditor's report to the members of Friends Trusts Limited**

### **Opinion**

We have audited the financial statements of Friends Trusts Limited (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 Auditor's 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 Friends Trusts Limited'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 other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

## **Independent auditor's report to the members of Friends Trusts Limited**

### **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 trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

### **Auditor's 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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

### **Capability of the audit in detecting irregularities**

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

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

## **Independent auditor's report to the members of Friends Trusts Limited**

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **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 auditor's 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.

Judith Miller (Senior statutory auditor)  
23 July 2024  
for and on behalf of Sayer Vincent LLP, Statutory Auditor  
110 Golden Lane, LONDON, EC1Y 0TG