

Company number: 4402061

Charity number: 1094827

**Friends First**

Report and Financial Statements

Period ended 31 August 2021

# **FRIENDS FIRST**

## **Financial Statements - 31 August 2021**

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## **FRIENDS FIRST**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

Friends First is a registered charity (1094827) and a company limited by guarantee (4402061).

Its registered office is: 21/23 Clarendon Villas  
Hove  
East Sussex  
BN3 3RE

The Trustees throughout the period, (unless otherwise shown), and at the date the report is signed were:

S Horne  
P Jarvis  
N Jones  
H Evans (resigned on 20<sup>th</sup> July 2021)  
J Foreman  
K Stevens  
M Sibanda  
K Ball

Company Secretary A Waller

The company's advisors are:

Bankers: National Westminster Bank plc  
103 Church Road  
Hove  
East Sussex  
BN3 2BF

Independent Examiner: John Thacker FCA DChA  
Chariot House Limited  
44 Grand Parade  
Brighton  
BN2 9QA

## **FRIENDS FIRST**

### **TRUSTEES' ANNUAL REPORT**

The trustees present their 20<sup>th</sup> report and the unaudited financial statements for the period ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 10 and 11 and comply with current statutory requirements the Financial Reporting Standard applicable in the U.K. and Republic of Ireland (FRS102) (effective from 1 January 2015), the Memorandum and Articles of Association, and the Statement of Recommended Practice: Accounting and Reporting by Charities 2015.

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

The company was incorporated on 22 March 2002 and was registered as a charity on 28 November 2002. It is governed by its Memorandum and Articles of Association. The company is limited by guarantee and has no share capital.

Friends First is connected with Clarendon Trust Ltd (of 21-23 Clarendon Villas, Hove, East Sussex, BN3 3RE) in that the charities have common trustees and Clarendon Trust Ltd is the sole corporate member of Friends First. The trustees of the company are appointed upon becoming a trustee of Clarendon Trust Ltd. The induction process for trustees involves supplying them with copies of the Memorandum & Articles of Association, recent Accounts and Minutes of trustees' Meetings. They are also shown the work of Friends First and meet with the senior staff. Trustees meet regularly through the period and all the major decisions of the charity are made by them in consultation with the charity's managers.

The trustees have recognised the importance of assessing and managing risk associated with the charity's objectives. The process of identifying risk is ongoing and has been an essential part of the management of the charity. The trustees have implemented systems to ensure ongoing identification, management and documentation of foreseeable risks.

### **OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT**

The trustees have had regard to the Charity Commission guidance on public benefit, and paid due regard to it in deciding what activities the charity should undertake. The trustees are satisfied that the ongoing activities which they are involved in means that the charity is continuing to meet the public benefit requirement.

Friends First Trust aims to contribute toward:

- reducing long-term unemployment
- reducing homelessness
- reducing social isolation
- increasing the provision of safe supportive housing

Friends First also works with socially minded property investors, enabling Friends First beneficiaries access to secure and affordable accommodation. The accommodation Friends First have available includes: short stay and emergency accommodation, shared housing and lodgings in the local community.

Friends First provides intensive personal support for beneficiaries to assist them in gaining momentum and achieving independent living. Alongside this Friends First recruit, screen, and train volunteer mentors and befrienders to come alongside beneficiaries living in their local communities. The charity also has access to counselling referral and regularly work alongside and signposts to other like-minded agencies in the city.

## **FRIENDS FIRST**

### **Trustees' Report – continued**

#### **ACHIEVEMENTS AND PERFORMANCE FOR THE PUBLIC BENEFIT**

##### **Housing**

4 individuals and a mother with 2 children continue to take residency across the two properties. Within this, 3 are in full-time employment & 1 undertaking studies in preparation for University.

Following a visit to the Green Pastures Conference the team were re-envisioned for using the houses as places of Christian discipleship. Friends First aims to equip people with lived experience of homelessness to become part of their team and potential support workers of the future. To this end a health and social care training course was offered to one of our residents and the team begun a more intentional discipleship process with a few others. Friends First continues to partner with Green Pastures and draw on their experience. They have set up a national training centre for residents that have become Christians and want to become support workers and offer pastoral care to others.

##### **Support**

- Between Jan-August 2021, 35 support hours have been dedicated to our 5 bed residency home.
- Between Jan-August 2021, 35 hours of support and counselling hours have been dedicated to our additional Green Pastures residency.
- All current residents are in full time work or training.

Since the Covid 19 outbreak in March 2020, the Friends First team has partnered with the Care Team of Emmanuel Church. Over the course of January - August 2021, Friends First was involved with various projects around the city including:

##### **The Circle**

From November 2019, Friends First have actively been involved in the leading and running of the Brighton Churches Night Shelter. In March 2020, all guests on the Night Shelter were moved to a location in Portslade called the Circle. This project ran till March 2021 with two members of the team collectively giving 486 hours to the project from March 2020 - March 2021. Volunteer food delivery hours for the 12 months: 50. In total just over 40 people were helped into more permanent housing due to the longevity and success of the programme.

##### **Foodbanks**

In 2021, Emmanuel set up two Foodbanks within our buildings, one at the Clarendon Site and the other at the Villas location. Friends First Team members supported the opening of these two projects and continue to do so, weekly. Having Friends First team members attend these foodbank sessions, offers an instant ability to refer clients who may need support with counselling or work experience.

##### **Charis Counselling**

During 2021 Charis Counselling offered affordable professional counselling and creative therapy. Friends First has partnered with Charis Counselling to enable low income clients to access counselling.

## **FRIENDS FIRST**

### **Trustees' Report – continued**

#### **Keys Community Detox**

Keys Detox is a National church based detox programme to help people escape from alcohol and drug addiction through integrated medical, spiritual and community support.

Friends First has recently become the Keys hub coordinating support across Brighton & Hove. The team has supported 10 clients engaging with the programme.

#### **FINANCIAL REVIEW**

The Statement of Financial Activities on page 7 shows total incoming resources of £90,833. The charitable company has funded a variety of projects and activities, which are in line with its stated objectives. The level of activity for the period was satisfactory. There was a surplus for the period of £8,140. At the end of the period the funds of the charity were in surplus by £36,907. The trustees of Clarendon Trust Ltd have indicated that they will provide ongoing financial support for at least 12 months from the date of this report.

#### **RESERVES POLICY**

The trustees have formulated a reserves policy in line with Charity Commission guidance. It is the trustees' intention to create free reserves sufficient to enable the trust to meet its recurring expenditure for the foreseeable future. At period end unrestricted reserves of £36,907 cover more than three months of current expenditure.

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

Friends First has established a good relationship with Brighton & Hove City Council, in their homeless prevention area. In light of this relationship, there has been an enhancement of opportunities to work serving our city through projects such as SWEP (Sever Emergency Weather Protocol).

This is a council run initiative which offers emergency accommodation to rough sleepers. In recent weeks, the project has been moved to the Brighton Hotel on Brighton Seafront. It is Friends First's aim that staff members along with volunteers will be able to give some time to this project, either helping set up rooms during the day, provide support to the team, etc.

'Here for Good': This is a cross church initiative involving churches that previously organised and ran the Brighton Churches Nightshelter. There was a desire to continue to work in partnership with one another. Following a consultation and listening exercise with agencies in the City working with the homeless Friends First decided to focus on the Housing First scheme and support previously homeless people to settle into new accommodation.

Friends First have also agreed to make use of the St Patricks church hall as a day centre, prayer space and furniture store for those moving into unfurnished flats. Following an inspirational visit to the Wholesome Warehouse in Storrington the Friends First team invited them to help set up a similar model in the heart of the city this next period.

Throughout the course of 2022, Friends First hopes to be able to relaunch its project of helping those long-term unemployed, back into work, thus reducing homelessness. This is something the team hopes to run in tandem with the foodbanks and other supporting organisations.

## **FRIENDS FIRST**

### **Trustees' Report – continued**

Chariot House Limited have been appointed as independent examiners via a resolution at the Annual General Meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the trustees on 5<sup>th</sup> April 2022 and signed on their behalf by

Neville Jones  
Chair of Trustees

21/23 Clarendon Villas  
Hove  
East Sussex  
BN3 3RE

## **INDEPENDENT EXAMINER'S REPORT TO THE SOLE MEMBER OF FRIENDS FIRST**

I report to the charity trustees on my examination of the accounts of Friends First for the period ended 31 August 2021.

### **Responsibilities and basis of report**

As the charity trustees of Friends First you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of Friends First's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

John Thacker FCA DChA  
Chariot House Limited  
Chartered Accountants  
44 Grand Parade  
Brighton  
East Sussex  
BN2 9QA

Date: 5<sup>th</sup> April 2022

## FRIENDS FIRST

### Statement of Financial Activities for the period ended 31 August 2021

	<i>Notes</i>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
<b>INCOME AND EXPENDITURE ACCOUNT</b>			
<b>Incoming resources from generated funds</b>			
Voluntary income	2	64,284	84,116
Activities for generating funds		11,517	3,114
Incoming resources from charitable activities	4	15,032	34,266
		<hr/>	<hr/>
<b>Total incoming resources</b>		<b>90,833</b>	<b>121,496</b>
		<hr/>	<hr/>
<b>Resources expended</b>			
<b>Cost of generating funds</b>			
Fundraising and publicity		-	-
<b>Charitable activities</b>			
Housing & Employment Support	5	82,693	119,193
		<hr/>	<hr/>
<b>Total resources expended</b>		<b>82,693</b>	<b>119,193</b>
		<hr/>	<hr/>
<b>Net movement in funds</b>		<b>8,140</b>	<b>2,303</b>
Fund balances brought forward at 1 January 2021		28,767	26,464
		<hr/>	<hr/>
<b>Fund balances carried forward at 31 August 2021</b>		<b>36,907</b>	<b>28,767</b>
		<hr/> <hr/>	<hr/> <hr/>

All funds are unrestricted.

The Statement of Financial Activities reflects the results of continuing activities for the period. There were no recognised gains or losses for the period other than those shown on the Statement of Financial Activities.

The notes on pages 10 to 15 form part of these financial statements.

## Balance Sheet at 31 August 2021

	Notes	2021	2020
		£	£
<b>CURRENT ASSETS</b>			
Debtors	7	470	5,135
Cash at bank and in hand		40,988	27,512
		<u>41,458</u>	<u>32,647</u>
<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE PERIOD</b>			
	8	(4,551)	(3,880)
		<u>36,907</u>	<u>28,767</u>
<b>NET CURRENT ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>36,907</u>	<u>28,767</u>
<b>FUNDS</b>			
<b>Unrestricted funds</b>			
General fund	9	35,452	27,312
Designated funds	9	1,455	1,455
		<u>36,907</u>	<u>28,767</u>
<b>TOTAL FUNDS</b>		<u>36,907</u>	<u>28,767</u>

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the period ended 31 August 2021. The members have not required the company to obtain an audit of its financial statements for the period in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring the company keeps accounting records which comply with sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial period and of its surplus and deficit for each financial period in accordance with the requirements of section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements, so far as applicable to the company.

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

Approved by the trustees, signed on their behalf by and authorised for issue on 5<sup>th</sup> April 2022.

Neville Jones  
Chair of Trustees

The notes on pages 10 to 15 form part of these financial statements.

## FRIENDS FIRST

### Cash Flow Statement for the period ended 31 August 2021

	2021		2020	
<b>Reconciliation of net movement in funds to net cash flows from operating activities</b>	£	£	£	£
Net movement in funds	8,140		2,303	
Depreciation	-		-	
Decrease/(increase) in debtors	4,665		(4,769)	
Increase/(decrease) in creditors	671		(2,089)	
		<hr/>		<hr/>
<b>Net cash outflow from operating activities</b>		13,476		(4,554)
<b>Capital expenditure</b>				
Purchase of tangible fixed assets	-		-	
		<hr/>		<hr/>
<b>Net cash outflow from capital expenditure</b>		-		-
		<hr/>		<hr/>
<b>Increase/(decrease) in cash in the period</b>		13,476		(4,554)
		<hr/> <hr/>		<hr/> <hr/>
<b>Reconciliation of net cash flow to movement in net cash funds</b>				
Net funds at beginning of the period		27,512		32,066
Change in net funds during the period		13,476		(4,554)
		<hr/>		<hr/>
Net funds at end of the period		40,988		27,512
		<hr/> <hr/>		<hr/> <hr/>

## **FRIENDS FIRST**

### **Notes to the Financial Statements for the period ended 31 August 2021**

#### **1 ACCOUNTING POLICIES**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with 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 2015)', 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

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that Covid 19 will have a significant impact on the charity for the following reasons:

In light of the above and following a review of our financial position, reserves and future plans, the trustees have confidence the charity will remain a going concern for the foreseeable future.

##### **(a) Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met. The amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Gifts in kind are included at estimated market value.

Any income relating to future periods is deferred.

##### **(b) Resources expended**

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. Expenditure is recognised on an accruals basis and is allocated between cost of generating funds, charitable expenditure, support costs and governance of the charitable company. Overhead and support costs have been allocated to charitable expenditure.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office and governance costs. They are incurred directly in support of expenditure on the objects of the charity.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

## FRIENDS FIRST

### Notes to the Financial Statements for the period ended 31 August 2021

#### **(c) Voluntary assistance**

A certain amount of time is expended by volunteers on the charitable company's activities which is donated free of charge. It is not possible to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the financial statements.

#### **(d) Taxation**

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax arose in the period.

#### **(e) Pensions**

The charitable company contributes to defined contribution pension schemes. The charge to the Statement of Financial Activities for 2021 was £3,571 (2020 - £5,450).

#### **(f) Fund accounting**

An explanation of the nature and purpose of each fund is included in the notes to the financial statements. Funds held by the charity are either:

*Unrestricted general funds* - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

*Designated funds* - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

All funds held are unrestricted funds.

## FRIENDS FIRST

### Notes to the Financial Statements for the period ended 31 August 2021

#### 2 VOLUNTARY INCOME

	2021 £	2020 £
<b>Housing and Employment Support</b>		
General Income	64,284	84,116
Donated facilities	-	-
	<u>64,284</u>	<u>84,116</u>

#### 3 GRANTS RECEIVED

During the period the following grants were received:

Garfield Weston	£10,000
Derek & Eileen Dodgson Foundation	£1,500

#### 4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2021 £	2020 £
<b>Housing and Work Support</b>		
Local authority funding	14,806	24,066
Other funding	226	10,266
	<u>15,032</u>	<u>34,266</u>

## FRIENDS FIRST

### Notes to the Financial Statements for the period ended 31 August 2021

#### 5 RESOURCES EXPENDED ON CHARITABLE ACTIVITIES

	2021 £	2020 £
<b>Direct Costs:</b>		
Direct staff costs	35,768	54,333
Other direct costs	45,042	63,845
	<hr/>	<hr/>
	80,810	118,178
<b>Support costs:</b>		
Support staff costs	-	-
Other support costs	1,883	1,015
Depreciation	-	-
	<hr/>	<hr/>
	82,693	119,193
	<hr/> <hr/>	<hr/> <hr/>

Other support costs include independent examiner's fees of £1,750.

#### 6 TRUSTEES AND STAFF COSTS

No trustees received or waived salary or expenses from the company during the period.

##### Staff costs

	2021 £	2020 £
Gross salaries	29,718	44,852
Social security costs	2,479	4,032
Pension costs	3,571	5,449
	<hr/>	<hr/>
	35,768	54,333
	<hr/> <hr/>	<hr/> <hr/>

Total paid to key management personnel was £23,190 (2020: £35,532).

The average number of persons employed by the charitable company during the period was as follows:

	2021 Number	2020 Number
Housing and work support	2	2
	<hr/>	<hr/>

No employees had emoluments in excess of £60,000: nil (2020: nil).

**FRIENDS FIRST**

**Notes to the Financial Statements for the period ended 31 August 2021**

**7 DEBTORS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other Debtors	470	5,135
	<u>          </u>	<u>          </u>

**8 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE PERIOD**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Accruals and deferred income	4,551	3,880
	<u>          </u>	<u>          </u>

**9 UNRESTRICTED FUNDS**

	<b>Balance at 1 January 2021 £</b>	<b>Movement in resources</b>			<b>Balance at 31 August 2021 £</b>
		<b>Incoming £</b>	<b>Outgoing £</b>	<b>Transfers £</b>	
<b>General fund</b>	27,312	90,833	82,693	-	35,452
<b>Specific Project fund</b>	1,455	-	-	-	1,455
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	28,767	90,833	82,693	-	36,907
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

	<b>Balance at 1 January 2020 £</b>	<b>Movement in resources</b>			<b>Balance at 31 December 2020 £</b>
		<b>Incoming £</b>	<b>Outgoing £</b>	<b>Transfers £</b>	
<b>General fund</b>	25,009	121,496	119,193	-	27,312
<b>Specific Project fund</b>	1,455	-	-	-	1,455
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	26,464	121,496	119,193	-	28,767
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The designated fund was established to specifically develop Social Enterprise initiatives.

## **FRIENDS FIRST**

### **Notes to the Financial Statements for the period ended 31 August 2021**

#### **10 CONNECTED CHARITY**

The charitable company is connected with Clarendon Trust Limited (of 21-23 Clarendon Villas, Hove, East Sussex, BN3 3RE) in that the charities have common trustees and Clarendon Trust Ltd is the sole corporate member of Friends First.

#### **11 CHARITABLE COMPANY STATUS**

The charitable company does not have a share capital and the liabilities of its sole member are limited to the guarantee of up to a maximum of £10.

#### **12 RELATED PARTY TRANSACTIONS**

There were no related party transactions during the period.