

World Friendship

Amended End of Year Financial Statements

Year ending 31 December 2016

These amended accounts replace the micro-entity accounts made up to 31 December 2016 filed on 12 May 2017.

These accounts are now the statutory accounts

These accounts are prepared as at 31 December 2016

These accounts are filed because micro-entity provisions do not apply to World Friendship

Registered Company number 1689847

Registered Charity number 513643

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Report of the council of management for the year ended 31st December 2016, which combines the directors' report and the trustees' annual report.

The Council (the members of which act as trustees for the company's charitable activities, and are also directors for the purposes of company law) presents its annual report and the financial statements for the year ended 31st December 2016

Objectives and activities

The purposes of World Friendship as set out in its Memorandum are to advance education among students from overseas studying in the diocese of Liverpool who need financial assistance, to relieve need sickness and distress among them and their dependents, to advance religion among them by provision of Christian counselling and pastoral care and to provide facilities for their social welfare in recreation and leisure time which will improve their lives.

During 2016, grants were made for the benefit of individual students experiencing hardship due to changes in personal, family, or national circumstances. In cooperation with international student welfare officers at the four universities in Liverpool, World Friendship provided grants to international students from outside the EEA to enable them to complete their courses and return to their home country with the qualification they sought.

The trustees have complied with the duty in section 17 of the Charities Act 2011 and have given due regard to the guidance issued by the Charity Commission, including public benefit guidance. The trustees consider that offering grants to relieve hardship to students at Liverpool Universities who are not from the EEA benefits a sufficient section of the public. Grants are made without discrimination regarding faith or gender. Within the funds available grants are offered based on need, the likelihood of successful completion of studies, and the benefit to the students' countries of origin.

Our grants are advertised on our website, and we ensure that chaplaincies are aware of the process of application.

Achievements and performance

During 2016, the trustees received twenty-five applications for grants from International students studying in one of five of the Higher Education Institutions in the Diocese of Liverpool.

Fourteen applications came from Liverpool Hope University.

Four were students at the University of Liverpool.

Five of these were students at Liverpool John Moores University,

Two applications came from Liverpool School of Tropical Medicine.

No applications from Edge Hill University.

Four applications came from Pakistan, nine from Nigeria, three from Libya, two from Sri Lanka, two from Iraq, two from China, one from Malaysia, one from Gambia and one from The Congo.

The totals of grants awarded are as follows

	Hope	LJMU	LSTM	UoL	Total
China		1500			1500
Iraq		1000		1000	2000
Libya		2000		500	2500
Malaysia	500				500
Nigeria	2032	1500	1000	1150	5682
Pakistan	2000				2000
Sri Lanka	500	1000			1500
Total	5032	7000	1000	2650	15682

World Friendship grants have enabled students to continue or complete their courses, thereby reducing stress on students who otherwise may not have been able to complete their studies. Wider benefits accrue to the universities

whose students were helped. In addition, the home countries to which the students return will reap the benefits from well qualified graduates in a variety of fields.

Financial review

The investment in Lloyds Bank Preference Shares was sold, and the proceeds reinvested in the CBF Church of England Investment Fund. The income from investments increased by £2,067. We made grants to students amounting to £15,682 (£15,500 in 2015). The investment capital fund increased to £519,688 (last year £466,453). World Friendship was a grateful recipient of grants of £2,000 from the Ravensdale Trust. The results for the year are set out on page 7.

Reserves policy

The trustees have established a policy for the level of unrestricted reserves (that is those funds that are freely available), whereby to enable the charity to operate effectively, they aim to have twelve months' worth of expenditure in general fund reserves. Reserves are needed to bridge the funding gaps between grants being paid to beneficiaries and receiving resources through investment income. Thus, the trustees consider that the ideal level of reserves as at 31st December 2016 would be £16,000. The actual reserves at 31st December 2016 were £19,453, which is above the target figure. In calculating reserves, the trustees have excluded from total funds the designated Investment Capital Fund of £519,585 (£466,453 at the end of 2015) which is required to ensure that our income stream is maintained.

Going concern

The charities investment is held in a well-managed common investment fund. The income stream is not guaranteed, but appears likely to be sustainable in the medium term. Liverpool Universities continue their commitment to take international students, and we foresee no shortage of beneficiaries. The only uncertainty arises from the age of the present trustees (mostly over retirement age), and if further trustees cannot be found, the charity must close. There are no funds in deficit

Structure, governance and management

The governing document is the Memorandum and Articles of Association dated 5th January 1983, as amended 11th December 1985 and 15th November 2002. World Friendship is a charitable company limited by guarantee. The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles of Association are known as the Council of Management. Under the memorandum and articles of association, the Bishop of Liverpool appoints one member as his representative, Liverpool Diocesan Board of Finance is entitled to appoint three members to the Council, and the trustees are also eligible, as the council of management, to appoint additional trustees.

Reference and administrative details

Charity Name: World Friendship
Charity Registration number: 513643
Company Registration Number: 1689847
Principal Office and Registered Office: 15 Dudlow Lane, Liverpool L18 0HH

World Friendship (limited by guarantee)
Report and Financial Statements for the year to 31st December 2016

Trustees:

Revd Canon P G Anderson

Mr R H Arden

Mrs A Gray

Mrs J Grieve

Mr J F O Huthwaite

Miss P James

Revd Canon R G Lewis

Dr L S R Perera-Child

Dr M T Phillips

Mrs E J Rayner

Dr F J Rayner

Mr J Steen

Custodian Trustee: Liverpool Diocesan Board of Finance

Exemptions from disclosure

Because World Friendship is a limited company, there is no exemption from disclosure of names of trustees or addresses of the company.

Trustees' responsibilities in relation to the financial statements

Company and charity law require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its surplus or deficit for that year. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable Accounting Standards and Statements of Recommended Practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Audit Exemption Statement

The company is exempt for the financial year ending 31st December 2016 from the requirements of Part 16 of the Companies Act 2006 as to audit of accounts, and the trustees have resolved to take advantage of that exemption.

This report is prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

This report was approved by the Council on 11th May 2017 and signed on its behalf by

P. M. James

Miss P M James Director

**Statement of Financial Activities including Income and Expenditure Account and
Statement of Recognised Gains and Losses**

	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds	Prior year total funds
Income and endowments from:						
Donations and legacies	2,000	—	—	—	2,000	2,013
Investments	16,153	—	—	—	16,153	14,086
Total income	18,153	—	—	—	18,153	16,099
Expenditure on:						
Raising funds	30	—	—	—	30	300
Expenditure on charitable activities	15,704	—	—	—	15,704	15,659
Total expenditure	15,734	—	—	—	15,734	15,959
Gains / losses on investment assets	—	53,132	—	—	53,132	11,421
Net income / (expenditure) resources before transfer	2,419	53,132	—	—	55,550	11,560
Transfers						
Gross transfers between funds - in	—	30,011	—	—	30,011	50,743
Gross transfers between funds - out	—	(30,011)	—	—	(30,011)	(50,743)
Other recognised gains / losses	—	—	—	—	—	—
Gains on revaluation, fixed assets, charity's own use	—	—	—	—	—	—
Net movement in funds	2,419	53,132	—	—	55,550	11,560
Total funds brought forward	17,034	466,453	—	—	483,487	471,927
Total funds carried forward	19,453	519,585	—	—	539,038	483,487
Represented by						
Unrestricted						
General fund	19,453	—	—	—	19,453	17,034
Designated						
Investment Capital fund	—	446,770	—	—	446,770	415,710
Revaluation reserves	—	72,815	—	—	72,815	50,743

World Friendship (limited by guarantee)
Report and Financial Statements for the year to 31st December 2016

Balance sheet

	General	Designated	Restricted	Endowment	This year	Last year
Fixed assets						
Investments	—	519,585	—	—	519,585	466,453
	—	519,585	—	—	519,585	466,453
Current assets						
Cash at bank and in hand	19,453	—	—	—	19,453	17,034
	19,453	—	—	—	19,453	17,034
Net current assets less current liabilities	19,453	—	—	—	19,453	17,034
Total assets less current liabilities	19,453	519,585	—	—	539,038	483,487
Total net assets less liabilities	19,453	519,585	—	—	539,038	483,487
Represented by						
Unrestricted						
General fund	19,453	—	—	—	19,453	17,034
Designated						
Investment Capital fund	—	446,770	—	—	446,770	415,710
Revaluation reserves	—	72,815	—	—	72,815	50,743
Funds of the charity	19,453	519,585	—	—	539,038	483,487

Audit exemption statement. For the year ended 31st December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Council of Management on 11th May 2017 and signed on its behalf by:

P.M. James

Miss P M James Council Member
World Friendship Company Registration Number 1689847

The statements and notes on pages 7 to 9 form part of these financial statements

World Friendship (limited by guarantee)
Report and Financial Statements for the year to 31st December 2016

Statement of assets and liabilities

	General	Designated	Restricted	Endowment	This year	Last year
Fixed assets - Investments						
Lloyds Banking Group 9.25% Preference Shares	—	—	—	—	—	43,367
CBF Investment Income Fund 122001310S	—	38,089	—	—	38,089	34,283
CBF Investment Income Fund 776102001S	—	481,496	—	—	481,496	388,803
Totals	—	519,585	—	—	519,585	466,453
Current assets - Cash at bank and in hand						
Lloyds Bank current account	9,149	—	—	—	9,149	6,777
CBF Deposit Fund Account	10,304	—	—	—	10,304	10,256
Brokers Capital Account (HL)	—	—	—	—	—	1
Totals	19,453	—	—	—	19,453	17,034
Current assets - Debtors						
Accounts Receivable	—	—	—	—	—	—
Totals	—	—	—	—	—	—
Liabilities - Creditors: Amounts falling due in one year						
Accounts Payable	—	—	—	—	—	—
Totals	—	—	—	—	—	—
Grand total	19,453	519,585	—	—	539,038	483,487

Fund movement by type

	Opening	Incoming	Outgoing	Transfers	Gains/losses	Closing
General - General fund						
Unrestricted	17,034	18,153	15,734	—	—	19,453
Sub-total for General	17,034	18,153	15,734	—	—	19,453
CAPITAL - Investment Capital fund						
Designated	415,710	—	—	30,011	1,049	446,770
Sub-total for CAPITAL	415,710	—	—	30,011	1,049	446,770
Revaluation reserves						
Designated	50,743	—	—	(30,011)	52,083	72,815
Sub-total for Revaluation Reserve	50,743	—	—	(30,011)	52,083	72,815
Grand total	483,487	18,153	15,734	—	53,132	539,038

Revaluation Reserve plus the original cost of investments is equal to the investment capital fund, and represents the unrealised capital gain on the investments held by the company.

The revaluation reserve was reduced by £30,011, because of the capital gain realised on the sale of Lloyds Banking Group preference shares, the proceeds from which were then reinvested in the CBF Church of England Investment Fund (an approved charitable investment for the purposes of Sections 496 and 511 of the Corporation Tax Act 2010).

The company is entitled to claim exemption from Capital Gains Tax on capital gains associated with changes in the Revaluation Reserve.

Analysis of income and expenditure

Donations and legacies

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>	
					<u>This year</u>	<u>Last year</u>
Donations	—	—	—	—	—	13
Grants received	2,000	—	—	—	2,000	2,000
Total	2,000	—	—	—	2,000	2,013

Investments

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>	
					<u>This year</u>	<u>Last year</u>
Lloyds Banking Group Preference Dividend	1,471	—	—	—	1,471	2,942
Mercantile Inv Trust Dividend	—	—	—	—	—	2,925
Alliance Inv Trust Dividend	—	—	—	—	—	1,470
Bankers Inv Trust Dividend	—	—	—	—	—	986
Scottish Mortgage Trust Dividend	—	—	—	—	—	930
CBF Investment Income Fund Dividend	14,634	—	—	—	14,634	4,139
CBF Fixed Interest Fund	—	—	—	—	—	637
CBF deposit interest	48	—	—	—	48	55
Hargreaves Lansdown Interest	—	—	—	—	—	1
Total	16,153	—	—	—	16,153	14,086
INCOME TOTAL	18,153	—	—	—	18,153	16,099

Raising funds

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>	
					<u>This year</u>	<u>Last year</u>
Investment management charge	30	—	—	—	30	300
Total	30	—	—	—	30	300

Expenditure on charitable activities

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>	
					<u>This year</u>	<u>Last year</u>
Print postage and stationery	9	—	—	—	9	9
Grants to beneficiaries	15,682	—	—	—	15,682	15,500
Accounting and Audit	—	—	—	—	—	108
Bank charges	—	—	—	—	—	30
Company return	13	—	—	—	13	13
Total	15,704	—	—	—	15,704	15,659
EXPENDITURE TOTAL	15,734	—	—	—	15,734	5,959
GRAND TOTAL	2,419	—	—	—	2,419	139

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Trustees' remuneration and benefits

None of the trustees have been paid any remuneration or received any other benefits from an employment with World Friendship or a related entity

Trustees' expenses

No trustee expenses have been incurred

Related party transactions

There have been no transactions with related parties

Employees

The company has no employees

Public benefit entity

World Friendship is a public benefit entity.

Accounting Policies

The financial statements have been prepared under the historical cost convention except for investments which are shown at market value.

The financial statements have been prepared in accordance with the Statement of Recommended Practice for charities (SORP 2015), the Companies Act 2006 and applicable accounting standards FRS102 section 1A.

The company has taken advantage of the exemption in FRS102 from the requirements to prepare a cash flow statement on the grounds that it is a small company.

The accounts include all transactions, assets and liabilities for which World Friendship is held responsible in law.

This is the first accounting year in which FRS102 has applied. All accounting policies have been revised to accord with the new standard, and the changes are described in the note below.

Funds

General funds represent the funds of the charity that are not subject to any restrictions regarding their use and are available for application on the general purposes of the charity. Funds designated for a particular purpose by the trustees are also unrestricted.

Incoming resources

Voluntary income received by way of grants, donations and gifts is included in the Statement of Financial Activities in the year in which it is received by or on behalf of the charity. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Grants are credited to the Statement of Financial Activities in the year in which they are receivable.

Dividends and interest are accounted for when due and payable. Interest entitlements are accounted for as they accrue. Realised gains and losses are recognised when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at 31st December.

Resources expended

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the charity.

Costs of generating voluntary income

All expenses relating to fundraising, publicity, public relations and investment management charges are charged to this heading

Charitable activities

Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both the costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These costs relate to the governance of the company itself, as opposed to the management of charitable activities or fundraising and publicity, and are primarily associated with constitutional, statutory and legal requirements.

Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life. All equipment, fixtures and fittings with an original cost of less than £1,000, are written off in the year in which the expenditure was incurred on the basis that due to the nature of the company's activities, there is no expectation that the cost of the assets will be recovered in the way of future revenues.

Investments

Investments are valued at market bid value at 31st December. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. Investments are in UK companies listed on the stock exchange, and in Common Funds established under The Church Funds Investment Measure 1958.

Current assets

Amounts owing to the charity at 31st December in respect of income are shown as debtors less provision for amounts that may prove uncollectable. Short-term deposits include cash held on deposit at the bank.

Charitable status and taxation

World Friendship is a private company limited by guarantee and registered in England and Wales.

As a registered charity, the company benefits from rates relief and is generally exempt from capital gains tax and corporation tax.

Transition to FRS102.

The balance sheet has not been affected by the transition from FRSEE.

The statement of financial affairs now includes capital gains on investment assets in the calculation of net income resources. The comparative figures for the year ending 31 December 2015 have been restated accordingly.