

4402061

Friends First

Financial Statements

31 December 2003



FRIENDS FIRST

Financial Statements - 31 December 2003

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FRIENDS FIRST

General Information

TRUSTEES:	P V Bedford (resigned 23 May 2004) K H Brooks P D Brooks P L J Jarvis N Jones C J Karley S Radley N D Ring
REGISTERED OFFICE:	21/23 Clarendon Villas Hove East Sussex BN3 3RE
SECRETARY:	K Rose
SUPPORTED HOUSING UNIT:	60 Wilbury Road Hove BN3 3PA
BANKERS:	National Westminster Bank plc 103 Church Road Hove East Sussex BN3 2BF
REGISTERED AUDITORS:	Mazars LLP 37 Frederick Place Brighton BN1 4EA
SOLICITORS:	Charles Russell 8 - 10 New Fetter Lane London EC4A 1RS
REGISTERED CHARITY NUMBER:	4402061
REGISTERED COMPANY NUMBER:	1094827

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Trustees' Annual Report

The trustees present their first report and the financial statements for the year ended 31 December 2003.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Charity law requires the trustees, who are also directors for Companies Act purposes, to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the net incoming or outgoing resources of the charitable company for that period. 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;
- comply with applicable United Kingdom accounting standards subject to any material departures disclosed and explained in the financial statements, and state whether the financial statements have been prepared in accordance with statements of recommended practice; and
- 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 maintaining proper accounting records which 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 1985 and the Charities Act 1993 and regulations thereunder. 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.

LEGAL CONSTITUTION

The company was incorporated on 22 March 2002, and is registered as a charity, registered number 1094827. It is governed by its Memorandum and Articles of Association. The company commenced trading on 1 January 2003. There were no activities of the company prior to this date and there are, therefore, no comparative figures.

The company is limited by guarantee and has no share capital.

OBJECTIVES

The main objectives of the charitable company are to provide assistance for persons in conditions of need, hardship or distress, to advance the Christian faith, and to make gifts, donations or loans to any charitable religious institution. These objectives have not changed during the year.

REVIEW OF ACTIVITIES

The accounts on pages 6 to 12 comply with statutory requirements of the Memorandum and Articles of Association.

The Statement of Financial Activities on page 6 shows total net incoming resources of £198,649. The charitable company has funded, out of the general fund, a variety of projects and activities, which are in line with its stated objectives. The level of activity for the year was satisfactory. There was a surplus of £47,219 on the unrestricted funds at the year end.

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Trustees' Report (continued)

REVIEW OF ACTIVITIES (continued)

The restricted funds were established towards the end of the financial year as a result of fundraising activities undertaken to support a Resettlement Programme.

The main activity of the charitable company is operated within the freehold property at 60 Wilbury Road, Hove, which is used as a supported housing unit. The property is owned by Clarendon Trust Ltd (the sole corporate member of Friends First) and provided rent free to Friends First for the purpose of running the supported housing unit.

The charitable company is dependent upon the continued receipt of local authority funding and support from Clarendon Trust Ltd. At the year end its financial position was satisfactory.

The charitable company receives a certain amount of voluntary help. It is not possible to quantify the value of this.

TRUSTEES

The trustees set out below have held office during the whole of the period from 1 January 2003 to the date of this report, unless otherwise stated:

P V Bedford (resigned 23 May 2004)	N Jones
K H Brooks	C J Karley
P D Brooks	S Radley
J Hosier (appointed 25 November 2003)	N D Ring
P L J Jarvis	

RISK MANAGEMENT

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 during the establishment of the supported housing unit. The trustees are currently introducing systems to ensure identification, management and documentation of the foreseeable risk.

RESERVES POLICY

The trustees have formulated a reserves policy in line with Charity Commission guidance. This is linked to the trust's strategic plan. It is the trustees' intention to maintain free reserves sufficient to enable the trust to meet its recurring expenditure for the foreseeable future. The status of restricted and designated funds and the finalisation of capital expenditure plans have been reviewed and consequently the free reserves are more clearly identifiable.

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Trustees' Report (continued)

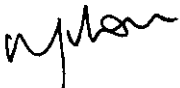
AUDITORS

During the period Mazars were appointed as first auditors to the company. On 31 August 2004, Mazars LLP succeeded Mazars as auditors to the company.

The company is limited by guarantee and does not have a share capital. The sole corporate member is Clarendon Trust Ltd.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the trustees on 12 October 2004 and signed on their behalf by



K Rose
Secretary

21/23 Clarendon Villas
Hove
East Sussex
BN3 3RE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRIENDS FIRST

We have audited the financial statements of Friends First for the year ended 31 December 2003 which comprise a *Statement of Financial Activities*, *Balance Sheet* and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of Companies Act 1985. 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.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees, who are also directors for the purposes of company law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by company law regarding directors' remuneration and transactions with the charitable company are not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error, in forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs at 31 December 2003 and of its incoming resources and resources expended for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Mazars LLP

Chartered Accountants and Registered Auditors

37 Frederick Place, Brighton BN1 4EA

28 October 2004

FRIENDS FIRST

Statement of Financial Activities For the Year Ended 31 December 2003

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2003 £
INCOME AND EXPENDITURE				
Incoming resources				
Donations and similar incoming resources		9,704	0	9,704
Activities in furtherance of the charity's objectives	2	174,537	2,050	176,587
Investment income		327	0	327
Total incoming resources		<u>184,568</u>	<u>2,050</u>	<u>186,618</u>
Resources expended				
Cost of generating funds				
Fundraising and publicity		2,486	0	2,486
Charitable expenditure				
Costs of activities in furtherance of the charity's objects		114,878	0	114,878
Management and administration	3	32,016	0	32,016
Total resources expended	4	<u>149,380</u>	<u>0</u>	<u>149,380</u>
Net movement in funds		35,188	2,050	37,238
Fund balances brought forward at 1 January 2003		0	0	0
Fund balances carried forward at 31 December 2003	11	<u>£35,188</u>	<u>£2,050</u>	<u>£37,238</u>

The net incoming resources reflect the results of continuing activities for the year.

There were no recognised gains or losses for the year other than those shown on the Statement of Financial Activities.

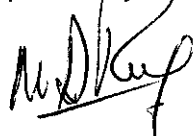
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Balance Sheet at 31 December 2003

	Notes	£	2003 £
CURRENT ASSETS			
Debtors	7	1,274	
Cash at bank and in hand		60,584	
		<u>61,858</u>	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(24,620)</u>	
NET CURRENT ASSETS			<u>37,238</u>
NET ASSETS			<u><u>£37,238</u></u>
FUNDS			
Unrestricted funds			
General funds	9		35,145
Designated funds	9		43
Restricted funds	10		<u>2,050</u>
TOTAL FUNDS	11		<u><u>£37,238</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the trustees on 12 October 2004, and signed on their behalf by



N D Ring - Trustee

**Notes to the Financial Statements
For the Year Ended 31 December 2003**

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice 'Accounting and Reporting by Charities'. The company commenced trading on 1 January 2003. There were no activities of the company prior to this date and there are, therefore, no comparative figures.

(a) Accounting convention

The financial statements are prepared under the historical cost convention.

(b) Donations

Donations received are recognised in the statement of financial activities when received together with any related tax credits.

(c) Allocation of expenditure

In general, expenditure is allocated between cost of generating funds, charitable expenditure, support costs and the cost of management and administration of the charitable company on an invoice basis. Staff costs are apportioned on the basis of actual time spent.

(d) Voluntary assistance

A certain amount of time is expended 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.

(e) Taxation

All of the charitable company's activities and income are exempt from direct taxation.

(f) Pensions

The charitable company contributes to defined contribution pension schemes. The charge to the Statement of Financial Activities for 2003 was £1,513.

(g) 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.

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

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Notes to the Financial Statements For the Year Ended 31 December 2003

2 ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTIVES

	2003 £
Local authority funding	171,529
Residents' contributions	3,008
	<u>£174,537</u>

3 MANAGEMENT AND ADMINISTRATION OF THE TRUST

	Total 2003 £
Staff costs	22,413
Legal and professional fees	2,061
Audit fee	2,350
Bank interest and charges	486
Sundries	4,706
	<u>£32,016</u>

4 TOTAL RESOURCES EXPENDED

	Staff costs £	Other costs £	Total 2003 £
Fundraising and publicity	0	2,486	2,486
Costs of activities in furtherance of the charity's objects	93,462	21,416	114,878
Management and administration	22,413	9,603	32,016
	<u>£115,875</u>	<u>£33,505</u>	<u>£149,380</u>

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Notes to the Financial Statements For the Year Ended 31 December 2003

5 TRUSTEES

No trustees received salary or expenses from the company during the year

6 STAFF COSTS

	2003
	£
Gross salaries	83,807
Social security costs	8,047
Pension costs	1,513
	<hr/>
	£93,367
	<hr/>

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

	2003
	Number
Charitable expenditure	
<i>Support and administration</i>	5
	<hr/>

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Notes to the Financial Statements For the Year Ended 31 December 2003

7 DEBTORS

	2003 £
DUE WITHIN ONE YEAR	
Other debtors	£1,274
	<u>£1,274</u>

All debtors are loans either to residents or volunteer support workers.

8 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £
Clarendon Trust Ltd	10,000
Accruals	14,620
	<u>£24,620</u>

9 UNRESTRICTED FUNDS

	<i>Movement in resources</i>		<i>Balance at</i>
	<i>Incoming</i>	<i>Outgoing</i>	<i>31 December</i>
	£	£	2003 £
Designated fund			
Residents' benefit	632	(589)	43
General fund	183,936	(148,791)	35,145
	<u>£184,568</u>	<u>£(149,380)</u>	<u>£35,188</u>

The residents' benefit fund has been set aside for the purpose of purchasing for residents items which would not otherwise be available to them.

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Notes to the Financial Statements For the Year Ended 31 December 2003

10 RESTRICTED FUNDS

	Movement in resources		Balance at
	Incoming	Outgoing	31 December
	£	£	2003
Resettlement programme	550	0	550
Resettlement programme – training workshop	1,500		1,500
	<u>£2,050</u>	<u>£0</u>	<u>£2,050</u>

The resettlement programme (which includes the training workshop) will provide skill-based training to enable residents to develop opportunities for future employment.

11 CONNECTED CHARITY

The charitable company is connected with Clarendon Trust Limited (of 17 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. During the year, Clarendon Trust Limited made a grant of £7,000 to Friends First.

12 SHARE CAPITAL

The company is limited by guarantee and does not have a share capital.