

Company number: 4402061

Charity number: 1094827

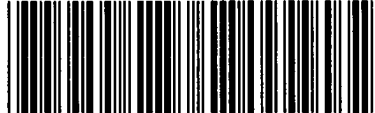
## **Friends First**

### **Report and Financial Statements**

**Year ended 31 December 2019**

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# **FRIENDS FIRST**

## **Financial Statements - 31 December 2019**

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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 year, (unless otherwise shown), and at the date the report is signed were:

S Horne  
P Jarvis  
N Jones  
H Evans  
J Foreman  
I Bailey  
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

Registered Auditors: Chariot House Limited  
44 Grand Parade  
Brighton  
BN2 9QA

## FRIENDS FIRST

### TRUSTEES' ANNUAL REPORT

The trustees present their 18<sup>th</sup> report and the unaudited financial statements for the year ended 31 December 2019.

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 year 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. As per the trust's constitution, the following trustees resigned and were reappointed: Peter Jarvis, Neville Jones and James Foreman.

### 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 began with a team of volunteers delivering soup and sandwiches to men and women who were sleeping on the streets of Brighton in the early 1990's. The project quickly developed into a weekly drop-in at a local church building. In 2002 Friends First became a registered charity and started running a Supported House which offered a therapeutic community model for its residents all who had been previously homeless. In 2013 Friends First moved from being a supported housing charity to an enterprising pathway toward employment. Friends First began to focus on **supporting** adult men and women, who were homeless and/or long-term unemployed, to gain **work experience**, access **safe housing**,

## **FRIENDS FIRST**

### **Trustees' Report – continued**

and link them with opportunities to increase their employability and access to paid **employment**. Friends First works with local employers who offer work experience and paid employment opportunities to its beneficiaries.

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 paid-person 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 signpost to other like-minded agencies in the city.

### **ACHIEVEMENTS AND PERFORMANCE FOR THE PUBLIC BENEFIT IN 2018**

In 2019 Friends First achieved the following results:

#### **Pathways to Employment**

- 33 people engaged with volunteer work experience on the Employment Pathway.
- 56% accessed employment.
- Beneficiaries engaged on the pathway for an average of 12 months.
- At the end of 2019 Friends First connected with many key local organisations offering work experience, training or employment opportunities. This included The Real Junk Food project where we placed several trainees.

#### **Pathways to Housing**

- 5 individuals and a mother with three children have been accommodated across two properties. 3 have paid work and are in the process of moving on. Two others have been identified to move in.
- Friends First is actively involved in the Brighton Churches Nightshelter management team. The Brighton Churches Night Shelter in partnership with the YMCA was commissioned by the Council to run throughout the year offering 15 homeless people secure overnight accommodation using St Patrick's Church, Hove. This launched in November 2019.

#### **Support**

- 199 hours of individual Trainee support sessions
- 78 hours of Therapy sessions (Life Coaching, Counselling)
- 151 hours of group work (Transform training)
- 50 Mentor Support hours delivered by Emmanuel volunteer mentors
- 106 hours of staff team and volunteer team training

## **FRIENDS FIRST**

### **Trustees' Report – continued**

#### **FINANCIAL REVIEW**

The Statement of Financial Activities on page 10 shows total incoming resources of £175,782. 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 year was satisfactory. There was a deficit for the year of £28,165. At the end of the year the funds of the charity were in surplus by £26,464. 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. At the same time, Friends First is aiming to move towards greater self-sustainability.

#### **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 year end unrestricted reserves of £26,464 cover more than three months of current expenditure.

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

Friends First are developing new ways in which we might connect people to work based opportunities that have an element of support built in without being responsible for the operational management of those opportunities.

2020 marked the first year of entering into a 365-day Night Shelter, based at St Patrick's on Cambridge Road. In response to the COVID-19 pandemic the Government issued all local councils to house the homeless, so they were able to adhere to social distancing rules. We moved our guests into a new venue the next day and have been able to deliver food packages and hot meals to our guests. The Friends First team are developing a day-time programme for our guests which includes a mentoring facility, which, due to current circumstances, we have adapted to phone calls. Friends First are also involved with Keys Detox - a detox programme to help people escape from alcohol and drug addiction through integrated medical, spiritual and community support. In light of COVID-19, we have had to move so much of our support to be online and decided to launch an online Recovery Group open to all to receive support from KEYS, no matter where in the country you may be.

The other aims for 2020 are to:

- Maximise our input into individual lives of beneficiaries
- Increasingly Work with other sympathetic employers
- Establish a network of employment partners
- Explore opportunities to develop apprenticeship placements
- See 50% plus of people move into long-term employment

## **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 22/9/2020 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 year ended 31 December 2019.

### 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

22 September 2020



# FRIENDS FIRST

## Statement of Financial Activities for the Year Ended 31 December 2019

	Notes	2019	2018
		£	£
<b>INCOME AND EXPENDITURE ACCOUNT</b>			
<b>Incoming resources from generated funds</b>			
Voluntary income	2	76,077	147,790
Activities for generating funds	3	17,696	60,258
Incoming resources from charitable activities	4	82,009	164,014
		<hr/>	<hr/>
<b>Total incoming resources</b>		<b>175,782</b>	<b>372,062</b>
		<hr/>	<hr/>
<b>Resources expended</b>			
<b>Cost of generating funds</b>			
Fundraising and publicity		1,824	13,526
<b>Charitable activities</b>			
Housing & Employment Support	5	202,123	354,326
		<hr/>	<hr/>
<b>Total resources expended</b>		<b>203,947</b>	<b>367,852</b>
		<hr/>	<hr/>
<b>Net movement in funds</b>		<b>(28,165)</b>	<b>4,210</b>
Fund balances brought forward at 1 January 2019			
		54,629	50,419
		<hr/>	<hr/>
<b>Fund balances carried forward at 31 December 2019</b>		<b>26,464</b>	<b>54,629</b>
		<hr/>	<hr/>

All funds are unrestricted.

The Statement of Financial Activities reflects 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.

The notes on pages 10 to 14 form part of these financial statements.

## Balance Sheet at 31 December 2019

	Notes	2019	2018
		£	restated £
<b>CURRENT ASSETS</b>			
Debtors	7	367	6,862
Cash at bank and in hand		32,066	62,560
		<u>32,433</u>	<u>69,422</u>
<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	<u>(5,969)</u>	<u>(14,793)</u>
<b>NET CURRENT ASSETS</b>		<u>26,464</u>	<u>54,629</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>26,464</u>	<u>54,629</u>
<b>FUNDS</b>			
<b>Unrestricted funds</b>			
General fund	9	25,009	50,294
Designated funds	9	1,455	4,335
<b>TOTAL FUNDS</b>		<u>26,464</u>	<u>54,629</u>

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year 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 year and of its surplus and deficit for each financial year 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 22/9/2020

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 year ended 31 December 2019

	2019		2018	
	£	£	£	£
<b>Reconciliation of net movement in funds to net cash flows from operating activities</b>				
Net movement in funds	(28,165)		4,210	
Depreciation	-		-	
Decrease/(increase) in debtors	6,495		19,587	
Increase/(decrease) in creditors	(8,824)		3,444	
<b>Net cash outflow from operating activities</b>		(30,494)		27,241
<b>Capital expenditure</b>				
Purchase of tangible fixed assets	-		-	
<b>Net cash outflow from capital expenditure</b>		-		-
<b>Increase/(decrease) in cash in the year</b>		(30,494)		27,241
<b>Reconciliation of net cash flow to movement in net cash funds</b>				
Net funds at beginning of the year		62,560		35,319
Change in net funds during the year		(30,494)		27,241
<b>Net funds at end of the year</b>		32,066		62,560

**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 Year Ended 31 December 2019**

#### **(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 year.

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

The charitable company contributes to defined contribution pension schemes. The charge to the Statement of Financial Activities for 2019 was £9,576 (2018 - £17,353).

#### **(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.

#### **(g) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost, less estimated residual value, of fixed assets over their estimated useful lives on a straight line basis as follows:

Vehicles/equipment – 33% per annum

## FRIENDS FIRST

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 2 VOLUNTARY INCOME

	2019 £	2018 £
<b>Housing and Employment Support</b>		
General Income	76,077	147,790
Donated facilities	-	-
	<u>76,077</u>	<u>147,790</u>

#### 3 GRANTS RECEIVED

During the year the following grants of £2,000 or more were received:

The Haremead Trust	£5,000
Santander Foundation	£3,605
Derek & Eileen Dodgson Foundation	£3,604
Chalk Cliff Trust	£3,500

#### 4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2019 £	2018 £
<b>Housing and Work Support</b>		
Local authority funding	24,470	24,100
Employment Pathways	57,539	139,914
	<u>82,009</u>	<u>164,014</u>

# FRIENDS FIRST

## Notes to the Financial Statements for the Year Ended 31 December 2019

### 5 RESOURCES EXPENDED ON CHARITABLE ACTIVITIES

	2019 £	2018 £
<b>Direct Costs:</b>		
Direct staff costs	126,900	190,107
Other direct costs	70,427	156,455
	<u>197,327</u>	<u>346,562</u>
<b>Support costs:</b>		
Support staff costs	-	-
Other support costs	4,796	7,764
Depreciation	-	-
	<u>202,123</u>	<u>354,326</u>

Other support costs include independent examiner's fees of £2,544.

### 6 TRUSTEES AND STAFF COSTS

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

#### Staff costs

	2019 £	2018 £
Gross salaries	99,157	173,565
Social security costs	8,132	13,364
Pension costs	9,576	17,353
	<u>116,865</u>	<u>204,282</u>

Total paid to key management personnel was £14,812 (2018: £41,114).

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

	2019 Number	2018 Number
Housing and work support	<u>4</u>	<u>8</u>

No employees had emoluments in excess of £60,000: nil (2018: nil).

# FRIENDS FIRST

## Notes to the Financial Statements for the Year Ended 31 December 2019

### 7 DEBTORS

	2019 £	2018 £
Other Debtors	367	6,862
	<u>          </u>	<u>          </u>

### 8 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Accruals and deferred income	5,969	14,793
	<u>          </u>	<u>          </u>

### 9 UNRESTRICTED FUNDS

	Balance at 1 January 2019 £	Movement in resources			Balance at 31 December 2019 £
		Incoming £	Outgoing £	Transfers £	
General fund	50,294	175,782	201,067	-	25,009
Specific Project fund	4,335	-	2,880	-	1,455
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	54,629	175,782	203,947	-	26,464
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

	Balance at 1 January 2018 £	Movement in resources			Balance at 31 December 2018 £
		Incoming £	Outgoing £	Transfers £	
General fund	50,280	366,681	366,667	-	50,294
Specific Project fund	139	5,381	1,185	-	4,335
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	50,419	372,062	367,852	-	54,629
	<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 Year Ended 31 December 2019**

#### **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 year.