

Company number: 4402061

Charity number: 1094827

**Friends First**

**Report and Financial Statements**

**Year ended 31 December 2020**



# **FRIENDS FIRST**

## **Financial Statements - 31 December 2020**

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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 (resigned on 26<sup>th</sup> January 2021)  
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 19<sup>th</sup> report and the unaudited financial statements for the year ended 31 December 2020.

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.

### 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 2020 Friends First achieved the following results:

#### **Housing**

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

#### **Support**

- Between Jan-December 2020, 50 support hours have been dedicated to our 5 bed residency home.
- Between Jan-December 2020, 60 hours of support and counselling hours have been dedicated to our additional Green Pastures residency.

In response to the Covid\_19 outbreak in March 2020, the Friends First team has partnered with the Care Team of Emmanuel Church. Over the course of March-September 2020, approximately 700 volunteer hours of time have been given to 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. Two members of the team collectively gave 390 hours to this project from March to December 2020. Volunteer food delivery hours: 38 and ongoing.

#### **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 given 64 hours of support time to clients engaging with the programme.

## **FRIENDS FIRST**

### **Trustees' Report – continued**

#### **Charis Counselling**

During the latter end of 2020, Charis Counselling started offering affordable professional counselling and creative therapy. In the last month of 2020 Friends First has partnered with Charis Counselling and provided 7 hours of one-on-one counselling sessions.

#### **Food delivery schemes in response to COVID-19**

The Passage coordinates the volunteers for the meal delivery programme which provides meals twice per day, Monday to Sunday, to approximately 270 ex-rough sleepers placed in emergency accommodation by Adult Social Care across Brighton & Hove. The Friends First coordinator placed 6 volunteers in various time slots throughout the week to pick up these meals and deliver them to the allocated locations.

## **FINANCIAL REVIEW**

The Statement of Financial Activities on page 7 shows total incoming resources of £121,496. 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 surplus for the year of £2,303. At the end of the year the funds of the charity were in surplus by £28,767. 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 year end unrestricted reserves of £28,767 cover more than three months of current expenditure.

## **PLANS FOR FUTURE PERIODS**

Throughout 2020, Friends First has established a good relationship with Brighton & Hove City Council. 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. Over the last few years this project has run out of the Brighton Centre. It is our aim that as of Winter 2021, the Clarendon Centre will be used as a hub for this project, supporting rough sleepers.

Similarly, Friends First hopes to utilise the (currently disused commercial kitchen) at the Clarendon Centre. In recent weeks, there have been conversations with the owner of Garden Cafe, in St Ann's Well Garden. Since March they have been commissioned by the Council to cook breakfast and lunch for the homeless. They have expressed an interest in using the kitchen to increase making all three meals for the homeless. Talks are currently underway.

## **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 20<sup>th</sup> July 2021 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 2020.

### **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: 20<sup>th</sup> July 2021

## FRIENDS FIRST

### Statement of Financial Activities for the Year Ended 31 December 2020

	<i>Notes</i>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
<b>INCOME AND EXPENDITURE ACCOUNT</b>			
<b>Incoming resources from generated funds</b>			
Voluntary income	2	84,116	76,077
Activities for generating funds	3	3,114	17,696
Incoming resources from charitable activities	4	34,266	82,009
		<hr/>	<hr/>
<b>Total incoming resources</b>		<b>121,496</b>	<b>175,782</b>
		<hr/>	<hr/>
<b>Resources expended</b>			
<b>Cost of generating funds</b>			
Fundraising and publicity		-	1,824
<b>Charitable activities</b>			
Housing & Employment Support	5	119,193	202,123
		<hr/>	<hr/>
<b>Total resources expended</b>		<b>119,193</b>	<b>203,947</b>
		<hr/>	<hr/>
<b>Net movement in funds</b>		<b>2,303</b>	<b>(28,165)</b>
Fund balances brought forward at 1 January 2020		26,464	54,629
		<hr/>	<hr/>
<b>Fund balances carried forward at 31 December 2020</b>		<b>28,767</b>	<b>26,464</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 2020

	Notes	2020	2019
		£	£
<b>CURRENT ASSETS</b>			
Debtors	7	5,135	367
Cash at bank and in hand		27,512	32,066
		<u>32,647</u>	<u>32,433</u>
<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	<u>(3,880)</u>	<u>(5,969)</u>
<b>NET CURRENT ASSETS</b>		<u>28,767</u>	<u>26,464</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>28,767</u></u>	<u><u>54,629</u></u>
<b>FUNDS</b>			
<b>Unrestricted funds</b>			
General fund	9	27,312	25,009
Designated funds	9	1,455	1,455
<b>TOTAL FUNDS</b>		<u><u>28,767</u></u>	<u><u>26,464</u></u>

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 December 2020. 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.

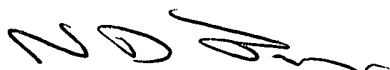
The directors acknowledge their responsibilities for:

- (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 20<sup>th</sup> July 2021.

Neville Jones  
Chair of Trustees



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

# FRIENDS FIRST

## Cash Flow Statement for the year ended 31 December 2020

	2020		2019	
	£	£	£	£
<b>Reconciliation of net movement in funds to net cash flows from operating activities</b>				
Net movement in funds	2,303		(28,165)	
Depreciation	-		-	
Decrease/(increase) in debtors	(4,769)		6,495	
Increase/(decrease) in creditors	(2,089)		(8,824)	
<b>Net cash outflow from operating activities</b>		(4,554)		(30,494)
<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>		(4,554)		(30,494)
<b>Reconciliation of net cash flow to movement in net cash funds</b>				
Net funds at beginning of the year		32,066		62,560
Change in net funds during the year		(4,554)		(30,494)
<b>Net funds at end of the year</b>		27,512		32,066

## **FRIENDS FIRST**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **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 2020**

#### **(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 2020

#### 2 VOLUNTARY INCOME

	2020 £	2019 £
<b>Housing and Employment Support</b>		
General Income	84,116	76,077
Donated facilities	-	-
	<u>84,116</u>	<u>76,077</u>

#### 3 GRANTS RECEIVED

During the year the following grants were received:

Derek & Eileen Dodgson Foundation	£2,000
JC Robinson Trust	£500

#### 4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2020 £	2018 £
<b>Housing and Work Support</b>		
Local authority funding	24,066	24,470
Other funding	10,266	-
Employment Pathways	-	57,539
	<u>34,266</u>	<u>82,009</u>

## FRIENDS FIRST

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 5 RESOURCES EXPENDED ON CHARITABLE ACTIVITIES

	2020 £	2019 £
<b>Direct Costs:</b>		
Direct staff costs	54,333	126,900
Other direct costs	63,845	70,427
	<u>118,178</u>	<u>197,327</u>
<b>Support costs:</b>		
Support staff costs	-	-
Other support costs	1,015	4,796
Depreciation	-	-
	<u>119,193</u>	<u>202,123</u>

Other support costs include independent examiner's fees of £890.

#### 6 TRUSTEES AND STAFF COSTS

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

##### Staff costs

	2020 £	2019 £
Gross salaries	44,852	99,157
Social security costs	4,032	8,132
Pension costs	5,449	9,576
	<u>54,333</u>	<u>116,865</u>

Total paid to key management personnel was £35,532 (2019: £14,812).

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

	2020 Number	2019 Number
Housing and work support	<u>2</u>	<u>4</u>

No employees had emoluments in excess of £60,000: nil (2019: nil).

# FRIENDS FIRST

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 7 DEBTORS

	2020 £	2019 £
Other Debtors	5,135	367
	<u>          </u>	<u>          </u>

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

	2020 £	2019 £
Accruals and deferred income	3,880	5,969
	<u>          </u>	<u>          </u>

### 9 UNRESTRICTED FUNDS

	Balance at 1 January 2020 £	Movement in resources			Balance at 31 December 2020 £
		Incoming £	Outgoing £	Transfers £	
General fund	25,009	121,496	119,193	-	27,312
Specific Project fund	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>

	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>

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

## **FRIENDS FIRST**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **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.