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FRIEND COUNSELLING (LONDON) LTD
(KNOWN AS LONDON FRIEND)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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FRIEND COUNSELLING (LONDON) LTD (KNOWN AS LONDON FRIEND)

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FRIEND COUNSELLING (LONDON) LTD (KNOWN AS LONDON FRIEND)

OFFICERS AND ADVISERS

CHARITY NAME: Friend Counselling (London) Limited, known as London Friend

CHARITY NUMBER: 299307

COMPANY NAME: Friend Counselling (London) Limited

COMPANY NUMBER: 1345530

PRINCIPAL AND REGISTERED OFFICE: 86 Caledonian Road, London, N1 9DN

LONDON FRIEND BOARD OF TRUSTEES:

Jamie Wilcox, Chair

Helen Hitchens, resigned 22 October 2009

Eugene Petzer

Tamar Moselle, Vice Chair, resigned 8 September 2010

Mark Allan, Vice Chair from 8 December 2010

Fiona Llewellyn,

Marcus Salehpour, Treasurer, appointed 12 August 2009

Ian O'Sullivan, appointed 21 May 2010

Olivier Cormier-Otano, appointed 8 July 2010

Rochelle Batten, resigned 23 April 2009

Tom Zhang, resigned 23 April 2009

COMPANY SECRETARY:

Angela Walsh

CHIEF EXECUTIVE:

Frances Connelly, resigned January 2010

Matthew Halliday, appointed January 2010

BANKERS: CAF Bank Ltd, 25 Kings Hill, West Malling, Kent, ME19 4JQ

AUDITOR: Sharon Kilbane, Chartered Accountant and Statutory Auditor, 87 How Wood, Park Street, St Albans, Herts., AL2 2RW

FRIEND COUNSELLING (LONDON) LTD (KNOWN AS LONDON FRIEND)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2010

The Trustees present their report and financial statements for the year ended 31 March 2010. The financial statements appear in the form required by the Statement of Recommended Practice for the Accounting and Reporting by Charities (revised March 2005). The report and financial statements also comply with the company's governing document and with the Companies Act 2006 as the company was incorporated as a company limited by guarantee as Friend Counselling (London Limited) on 22 December 1977, registration number 1345530. The company is known as "London Friend". It has no share capital and was registered as a charity on 18 December 1989.

Objectives and Activities

Our Values

Empowerment, Equality, Competence and Care

Overall Purpose

The overall purpose of the charity is to improve the health and well-being of people who are Lesbian, Gay, Bisexual, Transgender (LGBT) or in doubt about their sexual orientation or gender identity. Where necessary, support is also provided to their families and friends. In furtherance of this purpose, the charity provides counselling, telephone helplines, support groups and other support services.

The Trustees recognise that the mental and physical health of LGBT people is affected by the social and political context in which they live, and by internal and external homophobia. LGBT people who are poor, with a disability and/or from a black, asian, minority ethnic or refugee background face a range of additional challenges. Our services aim to be accessible to all LGBT people and to enable them to make changes in their lives which will improve their mental and physical well-being. It is important to service users that all who provide the front line services themselves identify as LGBT.

Current Aims

- To ensure the provision of high quality services that are cost effective and responsive to the needs of service users. We do this by providing the following:
 - Counselling: Twelve weeks of individual face to face counselling and refer on when appropriate
 - Supportive groups: Two fortnightly "coming out" groups and two support groups
 - Helpline support: A free helpline and email support service, open three times a week
 - Social support: We offer a range of activities and groups to enable LGBT people to connect with each other.
- To provide an accessible service for LGBT people of different cultural backgrounds and classes, ages, with or without a disability, or health condition, and regardless of the ability of the client to pay and one which is aware of the effects of homophobia
- To provide a valuable and enriching volunteering experience for the volunteers, with appropriate induction, training, supervision and support
- To raise awareness of the specific needs of LGBT people by participating in events and forums organised by other organisations
- To operate efficient and accountable systems of organisational and financial management.

FRIEND COUNSELLING (LONDON) LTD (KNOWN AS LONDON FRIEND)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

Principal Achievements of the Year

1. Organisational Management

A major strategic review of the organisation was undertaken during the year resulting in improved planning and reporting procedures and a strengthened Board of Trustees. London Friend also recruited its first Chief Executive tasked with developing a long-term sustainable business plan for the organisation. This placed London Friend in a stronger position for future developments and securing funding.

2. Service Provision

- a) One hundred and twelve clients received contracted counselling, representing 820 one-to-one sessions during the year. Eleven volunteer counsellors and three supervisors provided the counselling service.
- b) Four groups continued to run, two coming out groups, Changes for women and Turning Point for men, as well as a social and support group for men, Matrix and a support group for Black and Ethnic Minority women, Fusion. A total of 90 group sessions with 1000 group visits took place.
- c) We recruited and trained an additional 25 volunteers to staff the telephone helpline, as we continued to see an increasing number of people calling for emotional support and practical guidance. Over 1000 calls were received.
- d) In the year London Friend received its first major long-term grant. Volunteering England approved a grant of £110,000 over three years. This funding allowed us to recruit our first Volunteer Coordinator who developed the organisation's first volunteering strategy.

The funding, and the subsequent recruitment, has allowed us to considerably increase our volunteer numbers which has allowed us to almost double the capacity of all of our non-clinical services.

3. Community and Meeting Space

The London Friend centre is also home to a number of other LGBT groups and organisations with objectives that are complimentary to those of London Friend. Some of these groups who meet in the centre regularly are Lesbian AA, Age UK Camden, Beaumont Society, Families Together and Bent Bars.

4. Health at Friend

The Volunteering England funded project, Health at Friend, achieved its aims of reaching and developing new opportunities for isolated LGBT people. A new carers drop-in was launched and a telephone befriending service has recruited ten service users in the first year. Many people who were reached through the project have gone on to become volunteers.

5. In Our Name

In Our Name, successfully completed its first year and has quickly gained a good reputation among London's LGBT voluntary sector for providing opportunities for the sector to collaborate and support each other.

FRIEND COUNSELLING (LONDON) LTD (KNOWN AS LONDON FRIEND)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

Structure, Governance and Management

Friend Counselling (London) Ltd is governed by a Board of Trustees who are recruited openly and who meet at least six times a year together with the Chief Executive. Trustees serve for a one year period and may be re-elected.

Trustees receive a full induction, are briefed on their role and responsibilities within the organisation and subsequently have access to a range of governance and financial management courses. The trustees develop and oversee the strategic planning and all new developments are approved by the Board before work progresses.

The trustees delegate management of the charity to the Chief Executive who reports on performance to the Board. There is an annual strategic planning day, facilitated by an external pro bono consultant which is attended by Board Members and paid staff. The strategic planning day provided the basis for the development of the business plan for 2009-2010 that lays down targets and delivery of service provision, involvement of service users, management, governance, funding and marketing.

Volunteers

London Friend has a policy of engaging only LGB&T volunteers in the delivery of its services and it is dependent on the support of these volunteers for the running of the organisation. During the course of the year 90 volunteers were involved with the organisation, excluding the Trustees.

Particular areas of involvement for volunteers were:

- the helpline and bereavement line
- the men's and women's social groups
- the coming-out groups
- office support
- one-one counselling
- group counselling
- training and outreach
- Pride and LGBT History Month event

All the volunteers received a full induction, together with specific training relating to their area of work. The counsellors received fortnightly clinical supervision.

Staff

There were three part time members of staff, the General Manager, the Counselling Service Manager and an Administrator, the equivalent of 1.6 full time staff. The charity also employed a part time cleaner. During the year, the Board of Trustees, made a strategic decision to restructure the organisation and change the General Manager post into a Chief Executive – with more responsibility for leadership, strategic planning, fundraising, staff management and organisational development. This post was advertised and Matthew Halliday was appointed in January 2010.

Risk Management

The Trustees review risk management annually. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risk. As part of this process the Trustees keep the adequacy of the charity's internal controls under review.

FRIEND COUNSELLING (LONDON) LTD (KNOWN AS LONDON FRIEND)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

Financial Review

There were net outgoing resources during the year of £28,295. Expenditure during the year was well controlled. The Trustees highlighted that the organisation's main risk was depleting reserves and a lack of unrestricted funding. The appointment of a new Chief Executive, with a specific remit for fundraising and financial planning, was key to tackling this problem.

Incoming resources were considerably higher than the previous year. This is due in part by the Trustees making a strategic decision to reduce reliance on reserves and also by a number of early successes following the development of the organisation's first fundraising strategy.

Reserve Policy

Trustees keep the reserve policy under review. They are committed to aiming to maintain a general reserve equivalent to six months unrestricted expenditure. This may be needed to meet working capital requirement should there be a material deficiency in funding at some point in the future.

The Trustees have considered the charity's general requirements for reserves in the light of the main risks to the organisation. The policy adopted by the Trustees is as follows:

When the charity is receiving funds for its core costs, unrestricted funding should be equivalent to six months' unrestricted expenditure, plus spending to which the charity is legally committed or has already invested in fixed assets. As at 31 March 2010 this equated to approximately £31,000.

When the charity is not receiving funding for its core costs, but sufficient funds are held in order to do so, the charity should continue to run its services, and operate at a deficit if necessary, while carefully controlling costs and looking for further funding. This is the situation for the year ended 31 March 2010.

A major fundraising campaign to raise funds for the charity's core activities is planned in early 2011. Subsequent to the year end, the charity has been notified of a legacy of the residue of an estate. This will further replenish the charity's unrestricted funds.

Fundraising

A fundraising strategy has been developed to provide core funding, to secure unrestricted funding for marketing and building improvements and to allow us to recruit additional staff to improve the organisation's management. In the coming year we will continue to aim to diversify our sources of income and develop alternative income streams.

As noted above, during the year we were successful in a bid for £110,000 towards the three year salary of a new Volunteer Coordinator. Rita McLaughlin was successfully recruited to this post in August 2009.

Related Parties

Throughout the year London Friend has worked in formal partnership with a number of other LGBT organisations such including:

- PACE, Metro Centre & Kairos in Soho, who together form the partnership delivering In Our Name. The project is a five-year LGBT voluntary sector capacity building project funded by Big Lottery Fund.
- Lesbian & Gay Foundation, Stonewall Housing, PACE, Broken Rainbow, Yorkshire MESMAC, GADD, Derbyshire Friend, GIRES, TREC, ELOP and GMFA, whom in March 2010 formed the National LGB&T Partnership. The

FRIEND COUNSELLING (LONDON) LTD (KNOWN AS LONDON FRIEND)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

partnership were successful in receiving a contract to become the Department of Health's strategic advisors on new policy relating to LGB&T health and well-being.

This enables London Friend to identify partnership working opportunities, to limit the duplication of services and to be united towards a common goal of ensuring equality and specialist service provision for the LGBT community.

Public Benefit

London Friend has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. London Friend benefits both LGB&T members of the public and the wider community. Service users benefit directly through receiving support and the ability to change and improve their own situation. The wider community benefits from the breaking down of barriers and increased mutual understanding brought about by the challenging and diminution of homophobic attitudes.

Diversity

The charity is committed to the promotion of both equality of opportunity and equity of service. Responsibility for implementing this policy rests with the Chief Executive who is required to report regularly to the Board.

Environment

The charity is committed to recycling and re-use wherever possible. All travel by staff was by public transport.

Plans for the Future

In March 2010 London Friend was contacted by staff at Antidote, an LGBT drugs and alcohol support and advice service. The service had been given notice that it was to close at the end of 2010 due to funding cuts. Having met with the staff and discussed their service, their users and how they operate, the Trustees and Chief Executive of London Friend decided that it would fit with our organisational aims to try to raise funds to save the service and bring it under the operation of London Friend.

In November 2010 London Friend received confirmation of a grant of approximately £494,000 from Big Lottery Fund to take over the Antidote service. The project will open at London Friend following the development of a service integration plan.

London Friend was initially started as a support service for people who were 'coming out'. Although many people still go through problems during this process there are many more factors that can impact on the health and well-being of LGB&T people.

For that reason, and to coincide with the integration of the Antidote service, London Friend plans to carry out a consultation and review of its current objectives, operations and branding in early 2011. The outcome of this process will help us to form our strategic review for the next three years.

In November 2010 London Friend was given notice by Islington Council that the property that was leased to them by the Council had been highlighted as surplus to requirements and would be auctioned in the New Year of 2011. After much negotiation between London Friend and representatives from the Council it was agreed that London Friend could purchase the premises

FRIEND COUNSELLING (LONDON) LTD (KNOWN AS LONDON FRIEND)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

from the Council. The 2011 fundraising appeal will be developed to raise unrestricted income but also to raise the necessary funds to purchase the building from the Council.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Friend Counselling (London) Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 2006. 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.

In so far as each of the Trustees are aware at the time the report is approved:

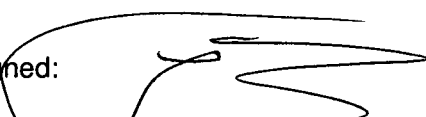
- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small Company Provisions

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

By order of the Trustees:

Signed:


Jamie Wilcox, Chair of the Board of Trustees

Date:

23 / 12 / 10.

FRIEND COUNSELLING (LONDON) LTD (KNOWN AS LONDON FRIEND)

Independent Auditor's Report to the Members of Friend Counselling (London) Limited (Known as (London Friend))

I have audited the financial statements of Friend Counselling (London) Limited (Known as London Friend) for the year ended 31 March 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. My audit work has been undertaken so that I might state to the charitable company's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for my audit work, for this report, or for the opinions I have formed.

Respective responsibilities of Trustees and auditor

The responsibilities of the Trustees, who are also the directors of the company for the purposes of company law, for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view, are set out in the Statement of Trustees' Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. I also report to you whether in my opinion the information given in the Trustees' Report is consistent with those financial statements.

In addition I report to you if, in my opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if I have not received all the information and explanations I require for my audit, or if certain disclosures of Trustees' remuneration specified by law are not made.

I read the Trustees' Report and consider the implications for my report if I become aware of any apparent misstatements within it.

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

FRIEND COUNSELLING (LONDON) LTD (KNOWN AS LONDON FRIEND)

**Independent Auditor's Report to the Members of Friend Counselling (London) Limited
(Known as (London Friend) (Continued)**

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Report is consistent with the financial statements.

Emphasis of matter – Going Concern

In forming my opinion, which is not qualified, I have considered the adequacy of the disclosures made in note 2 (b) to the financial statements concerning the charitable company's funding arrangements. The lack of certainty regarding funding for core costs indicates the existence of a material uncertainty, which may cast doubt on the charitable company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the charitable company was unable to continue as a going concern.



Sharon Kilbane
Senior Statutory Auditor
Chartered Accountant and Statutory Auditor

87 How Wood
Park Street
St Albans
AL2 2RW

Date: 4 January 2011.

Friend Counselling (London) Limited (Known as London Friend)

Statement of Financial Activities (including Income and Expenditure Account)
for the year ended 31 March 2010

		Unrestricted funds		Restricted funds	2010 total	2009 total
	Note	General fund	Designated funds	funds	£	£
		£	£	£	£	£
Incoming resources						
<u>Incoming resources from generated funds</u>						
<i>Voluntary income</i>						
Donations	5	6,319	-	-	6,319	5,682
Grants for core funding	6	1,750	-	-	1,750	-
<i>Activities for generating funds</i>						
Rental income		4,257	-	-	4,257	2,934
<i>Investment income</i>	7	488	-	-	488	4,442
		<u>12,814</u>	<u>-</u>	<u>-</u>	<u>12,814</u>	<u>13,058</u>
<u>Incoming resources from charitable activities</u>	8	7,392	-	41,142	48,534	6,652
<u>Other incoming resources</u>	9	8,835	-	-	8,835	-
Total incoming resources		<u>29,041</u>	<u>-</u>	<u>41,142</u>	<u>70,183</u>	<u>19,710</u>
Resources expended						
<u>Costs of generating funds</u>						
Fundraising costs of grants and donations		1,571	-	-	1,571	3,082
<u>Charitable activities</u>		55,320	-	37,137	92,457	77,190
<u>Governance costs</u>		3,946	-	504	4,450	6,493
Total resources expended	11	<u>60,837</u>	<u>-</u>	<u>37,641</u>	<u>98,478</u>	<u>86,765</u>
Net (outgoing)/incoming resources before transfers, being net (expenditure)/income for the year		(31,796)	-	3,501	(28,295)	(67,055)
Gross transfers between funds	16	(4,575)	4,575	-	-	-
Net movement in funds		<u>(36,371)</u>	<u>4,575</u>	<u>3,501</u>	<u>(28,295)</u>	<u>(67,055)</u>
Total funds brought forward at 1 April 2009		33,032	20,805	465	54,302	121,357
Total funds carried forward at 31 March 2010		<u>(3,339)</u>	<u>25,380</u>	<u>3,966</u>	<u>26,007</u>	<u>54,302</u>

No operations were acquired or discontinued during the year to 31 March 2010 or during the previous year.

The company had no recognised gains or losses in the year to 31 March 2010 or the preceding year other than its net incoming/(outgoing) resources for each year.

The notes on pages 12 to 20 form part of these financial statements.

Friend Counselling (London) Limited (Known as London Friend)


**Balance sheet
as at 31 March 2010**

	Note	£	2010 £	£	2009 £
Fixed assets					
Tangible assets	13		1,045		2,015
Current assets					
Debtors	14	5,828		3,369	
Cash at bank and in hand		23,991		56,044	
		<u>29,819</u>		<u>59,413</u>	
Creditors: amounts falling due within one year	15	(4,857)		(7,126)	
Net current assets			<u>24,962</u>	<u>52,287</u>	
Net assets			<u><u>26,007</u></u>	<u><u>54,302</u></u>	
The funds of the charity					
Unrestricted income funds					
General			(3,339)		33,032
Designated	16		25,380		20,805
			<u>22,041</u>		<u>53,837</u>
Restricted income funds	17		3,966		465
Total charity funds			<u><u>26,007</u></u>		<u><u>54,302</u></u>

The notes on pages 12 to 20 form part of these financial statements

Jamie Wilcox, Chairman of the Board of Trustees
Signed on behalf of the trustees

Approved by the directors and authorised for issue on:



23 | 12 | 10.

Company registration number: 3160526

Friend Counselling (London) Limited (Known as London Friend)

Notes to the financial statements for the year ended 31 March 2010

1. Company status

The company is limited by the guarantee of its members and does not have a share capital. The guarantee of each member is limited to £5.

2. Accounting convention

- a) The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, the Statement of Recommended Practice 'Accounting and Reporting by Charities' published in March 2005 and applicable UK accounting standards.
- b) The charitable company has restricted funding in place to finance the Health at Friend project until 31 March 2012 and lottery funding in place to finance Antidote – LGBT Drug and Alcohol Service for four years from March 2011, together with some other smaller restricted grants. Although the restricted grants make a contribution to core costs, there remains a shortfall in funding core costs for the next twelve months. Subsequent to the year end, the charitable company has been notified of a legacy of the residue of an estate, which will replenish unrestricted funds. However, the value of the legacy and the timing of receipt are not known. In order to address the lack of funding for core costs, the Trustees plan a major fundraising campaign early in 2011. If this is not successful, the Trustees would endeavour to complete the contracts that are in place, but would have to reduce other services significantly whilst other sources of funding were found, or until the legacy was received. Despite this uncertainty, as it is anticipated that the charitable company would continue, in some form, the financial statements have been prepared on a going concern basis.

3. Accounting policies

a) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable certainty. The following specific policies apply to categories of income:

- Any income from fundraising is shown gross.
- Voluntary donations are included in the financial statements when received, with any associated tax reclaim being included in the financial statements at the same time.
- Grant income is recognised when receivable except when it is for a specified period, in which case the income is spread over that period.
- Gifts in kind are included in the financial statements when they involve an expense by the donor and that expense can be quantified.
- Legacies are included in incoming resources when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Entitlement is the earlier of the charitable company being notified of an impending distribution or the legacy being received.

b) Resources expended

Resources expended are included in the statement of financial activities on an accruals basis. VAT cannot generally be reclaimed by the charity and the figures for expenditure therefore include VAT, as appropriate.

Friend Counselling (London) Limited (Known as London Friend)

**Notes to the financial statements
for the year ended 31 March 2010**

(continued)

3. Accounting policies (continued)

b) Resources expended (continued)

Many costs are directly attributable to activities in furtherance of the charity's objects. Volunteer costs are attributed to the charity's activities in proportion to the number of volunteers performing each activity. Costs of supporting the volunteers (e.g. staff costs) are attributed in the same proportion.

Costs of generating funds comprise the costs associated with attracting voluntary income.

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

Governance costs are the costs associated with the governance arrangements of the charitable company which relate to the general running of the charitable company as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day-to-day management of the charitable company's activities.

c) Tangible fixed assets and depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Equipment	-	20% reducing balance or 33 1/3% straight line
Furniture and fittings	-	20% reducing balance
Leasehold improvements	-	Over remaining lease term

The charitable company has a policy of capitalising assets which cost more than £100.

d) Leases

Rentals under leases which are regarded as operating leases are charged to the statement of financial activities as incurred.

e) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company.

Designated funds are unrestricted funds that have been set aside by the trustees for specific purposes.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

4. Taxation

No provision has been made for taxation on the company's income as it qualifies for the tax exemptions available to charities.

Friend Counselling (London) Limited (Known as London Friend)

Notes to the financial statements
for the year ended 31 March 2010
(continued)

5. Donations

	Unrestricted funds			2010 total £	2009 total £
	General fund £	Designated funds £	Restricted funds £		
Standing orders	2,646	-	-	2,646	2,432
Give as You Earn	-	-	-	-	185
Other individual donations	3,673	-	-	3,673	345
Tax recoverable on Gift Aid	-	-	-	-	7
Fundraising income	-	-	-	-	2,003
Donated by other organisations	-	-	-	-	160
Other income from donations	-	-	-	-	550
	<u>6,319</u>	<u>-</u>	<u>-</u>	<u>6,319</u>	<u>5,682</u>

6. Grants for core funding

	Unrestricted funds			2010 total £	2009 total £
	General fund £	Designated funds £	Restricted funds £		
Richard Cloudesley's Charity	<u>1,750</u>	<u>-</u>	<u>-</u>	<u>1,750</u>	<u>-</u>

7. Investment income

	2010 £	2009 £
Bank interest receivable	<u>488</u>	<u>4,442</u>

8. Incoming resources from charitable activities

	Unrestricted funds			2010 total £	2009 total £
	General fund £	Designated funds £	Restricted funds £		
Grants:					
Land Securities Capital			3,442	3,442	1,148
Commitment Foundation	-	-	35,443	35,443	-
Volunteering England	-	-	1,840	1,840	-
In Our Name	-	-	417	417	-
City Parochial Foundation	-	-			
Donations:					
Counselling donations	6,778	-	-	6,778	4,836
Donations from groups and income from coffee bar	594	-	-	594	659
Miscellaneous income	20	-	-	20	9
	<u>7,392</u>	<u>-</u>	<u>41,142</u>	<u>48,534</u>	<u>6,652</u>

Friend Counselling (London) Limited (Known as London Friend)

**Notes to the financial statements
for the year ended 31 March 2010**

(continued)

9. Other incoming resources

	Unrestricted funds			2010 total £	2009 total £
	General fund £	Designated funds £	Restricted funds £		
Insurance claim arising from flood	8,835	-	-	8,835	-

10. Allocation of support costs

The charity has allocated its support costs as shown in the table below (see note 3b).

	Direct charitable expen- diture £	Costs of generating voluntary income £	Govern- ance £	2010 total £	2009 total £
Staff costs	22,673	1,318	2,373	26,364	47,378
Staff recruitment	1,187	69	124	1,380	-
Other staff costs	-	-	-	-	304
Other Management costs	-	-	-	-	149
Other volunteer costs	-	-	-	-	1,156
Office insurance	-	-	-	-	471
Training	464	-	-	464	-
Telephone	702	17	31	750	2,052
IT costs	1,644	93	167	1,904	905
Supplies	-	-	-	-	503
Postage and couriers	41	3	4	48	493
Affiliation and membership fees	444	19	34	497	304
Bank charges	58	2	7	67	20
Administration expenses	304	18	31	353	-
Fundraising expenses	-	-	-	-	138
Miscellaneous costs	17	2	1	20	-
Office expenses	1,381	30	55	1,466	1,870
	<u>28,915</u>	<u>1,571</u>	<u>2,827</u>	<u>33,313</u>	<u>55,743</u>

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Notes to the financial statements
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(continued)

11. Resources expended

	Staff costs £	Direct costs £	Support costs £	2010 total £	2009 total £
Costs of generating funds					
Costs of generating voluntary income	-	-	1,571	1,571	3,082
Charitable expenditure					
Health at Friend project	22,771	8,436	1,865	33,072	-
In Our Name project	1,840	-	-	1,840	-
Other charitable expenditure	5,904	24,591	27,050	57,545	77,190
Governance	-	1,623	2,827	4,450	6,493
	<u>30,515</u>	<u>34,650</u>	<u>33,313</u>	<u>98,478</u>	<u>86,765</u>

Included in resources expended are:

- Payments under operating leases for property amounting to £9,900 (2009 - £9,900)
- A charge for depreciation amounting to £970 (2009 - £1,019)

Governance

	2010 total £	2009 total £
Support costs	2,827	5,293
Audit fees - current year	900	1,200
- prior year	220	-
Other fees paid to auditor	400	-
Board expenses	103	-
	<u>4,450</u>	<u>6,493</u>

12. Staff costs

Staff costs amounted to:	2010 £	2009 £
Wages and salaries	51,414	44,253
Social security costs	4,191	3,125
	<u>55,605</u>	<u>47,378</u>
Recruitment costs	2,654	-
	<u>58,259</u>	<u>47,378</u>

No employee's emoluments exceeded £60,000 for the year. The charity made no pension payments for employees.

The average monthly number of employees during the year was 4 (2009: 5)

No remuneration was paid to Trustees during either year. Expenses totalling £208 were reimbursed to Trustees during 2010. No expenses were reimbursed to Trustees during 2009.

Friend Counselling (London) Limited (Known as London Friend)

Notes to the financial statements
for the year ended 31 March 2010

(continued)

13. Tangible fixed assets

	Short leasehold improve- ments £	Furniture and fittings £	Equipment £	Total £
Cost				
At 1 April 2009 and 31 March 2010	<u>22,002</u>	<u>1,984</u>	<u>42,463</u>	<u>66,449</u>
Depreciation				
At 1 April 2009	22,002	1,516	40,916	64,434
Charge for the year	-	94	876	970
At 31 March 2010	<u>22,002</u>	<u>1,610</u>	<u>41,792</u>	<u>65,404</u>
Net book value				
At 31 March 2010	<u>-</u>	<u>374</u>	<u>671</u>	<u>1,045</u>
At 1 April 2009	<u>-</u>	<u>468</u>	<u>1,547</u>	<u>2,015</u>

14. Debtors

	2010 £	2009 £
Prepayments and accrued income	<u>5,828</u>	<u>3,369</u>

15. Creditors: amounts falling due within one year

	2010 £	2009 £
Trade creditors	91	-
Accruals	1,860	1,200
Deferred grant income	2,133	5,193
Key deposits	765	725
Library books deposits	8	8
	<u>4,857</u>	<u>7,126</u>

The movements on deferred income are as follows:

	£
At 1 April 2009	5,193
Released in year	(5,193)
Received in year	2,133
At 31 March 2010	<u>2,133</u>

Friend Counselling (London) Limited (Known as London Friend)

**Notes to the financial statements
for the year ended 31 March 2010**

(continued)

16. Designated funds

	Balance at 1 April 2009 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2010 £
Outreach, publicity and awareness fund	755	-	-	(755)	-
Rent fund	4,950	-	-	800	5,750
Utilities fund	-	-	-	2,449	2,449
Staff costs fund	15,100	-	-	2,081	17,181
	<u>20,805</u>	<u>-</u>	<u>-</u>	<u>4,575</u>	<u>25,380</u>

The above designated funds comprise unrestricted funds designated by the trustees for specific purposes.

Outreach, publicity and awareness fund

This fund was set up for the purpose implied by its name. Grant funding has meant that it has not been spent during the year and it has therefore been released in 2010.

Rent fund

As the charity has no source of core funding, the trustees have designated a sum sufficient to meet the minimum rent commitment of the lease. (See note 19).

Utilities fund

The Trustees have designated a sum sufficient to remain operational for the minimum notice period required under the lease.

Staff costs fund

The trustees have designated a sum equivalent to approximately three months' salary costs, as staff represent a commitment on the charity's part which is otherwise unfunded. This figure has been adjusted at the year end to take account of updated staff costs.

Friend Counselling (London) Limited (Known as London Friend)

**Notes to the financial statements
for the year ended 31 March 2010**

(continued)

17. Restricted funds

	Balance at 1 April 2009 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2010 £
Land Securities Capital Commitment	105	3,442	(1,448)	-	2,099
People and Places (grant from Islington Council)	360	-	(360)	-	-
Volunteering England	-	35,443	(33,576)	-	1,867
In Our Name	-	1,840	(1,840)	-	-
City Parochial Fund	-	417	(417)	-	-
	<u>465</u>	<u>41,142</u>	<u>(37,641)</u>	<u>-</u>	<u>3,966</u>

The above restricted funds can only be used for the purposes specified by the donors or grant making body.

Land Securities Capital Commission Fund

This represents a grant from the Land Securities Capital Commitment Fund to support training for the volunteers. The balance at 31 March 2010 has been carried forward pending allocation of expenditure to the fund.

People and Places

This represents a grant from the London Borough of Islington to support the building of a stronger LGBT community in the borough.

The expenditure during the year relates to the depreciation of tangible fixed assets purchased from the grant.

Volunteering England

This represents a grant from Volunteering England to fund the Health at Friend project, which provides a support service for LGBT carers and offers a telephone befriending service to isolated LGBT people. The expenditure during the year comprised staff and recruitment costs amounting to £22,771, professional fees amounting to £3,200 property expenses amounting to £3,835 and other costs amounting to £3,770.

In Our Name

This represents a grant from Big Lottery Fund's BASIS programme for being a delivery partner of a new partnership project tasked with providing support to London's LGBT voluntary and community sector. Income from this project was provided for the consultancy and advisory services of our Chief Executive on the projects steering committee.

City Parochial Foundation

£15,000 over three years, £5,000 in each year, was granted to open up our one-to-one counselling service and support groups to newly arrived migrants who identify as LGBT. Activity within the project included providing training to a number of our volunteers and staff on the issues affecting LGBT asylum seekers and refugees, as well as producing and distributing posters and other literature advertising our services to this client group.

Friend Counselling (London) Limited (Known as London Friend)

Notes to the financial statements
for the year ended 31 March 2010

(continued)

18. Analysis of net assets between funds

	Unrestricted funds			Total £
	General fund £	Designated funds £	Restricted funds £	
Tangible fixed assets	1,045	-	-	1,045
Current assets	(760)	25,380	5,199	29,819
Current liabilities	(3,624)	-	(1,233)	(4,857)
	<u>(3,339)</u>	<u>25,380</u>	<u>3,966</u>	<u>26,007</u>

19. Operating lease commitments

The annual amounts payable in respect of operating leases are as follows:

	2010 Property £
<i>Minimum lease commitment expiring:</i>	
Within one year	<u>11,500</u>

The lease to the charity's premises ends on 24 March 2019, but can be terminated at any time after 31 July 2008 by the charity giving six months' notice to this effect.

20. Legacies

Subsequent to the year end, the charitable company has been advised of a legacy of the residue of an estate. It is not possible to quantify the amount that the charitable company will receive.

21. Control

The charitable company is controlled by the Council of Management, being the Board of Trustees.