



Smailes Goldie Group
CREATING ADVANTAGE

The Freedom Community Trust Limited

Consolidated Financial Statements

31st March 2021



SD-0201465-1-6

The Freedom Community Trust Limited

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for the year ended 31st March 2021**

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The Freedom Community Trust Limited

**Reference and Administrative Details
for the year ended 31st March 2021**

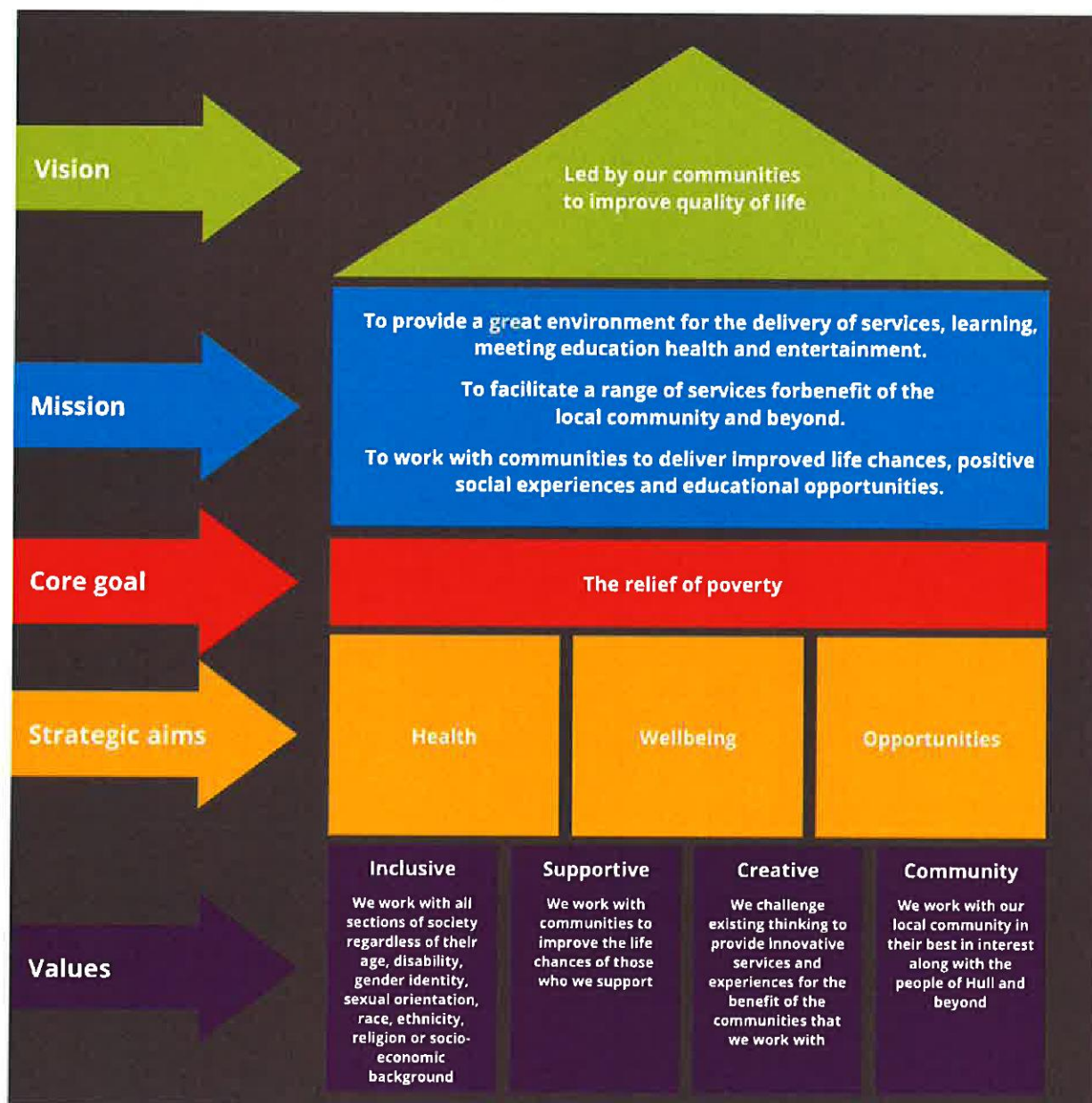
TRUSTEES	S J Alltoft D Bond (resigned 21.01.2021) J Boyd H C Bridges S L Hatfield S P Jackson H McConnell R Norman Rev R P Phillips S Sheppard
COMPANY SECRETARY	S Garnett
REGISTERED OFFICE	The Freedom Centre 97 Preston Road Hull East Yorkshire HU9 3QB
REGISTERED COMPANY NUMBER	04012143 (England and Wales)
REGISTERED CHARITY NUMBER	1094807
AUDITORS	Smailes Goldie Chartered Accountants Statutory Auditor Regent's Court Princess Street Hull East Yorkshire HU2 8BA
BANKERS	Yorkshire Bank Plc 214 Holderness Road Hull HU9 2AA

The Freedom Community Trust Limited

Report of the Trustees for the year ended 31st March 2021

Like everyone, our year has been overshadowed by one issue: Covid 19. It has affected everybody's lives and is likely to continue to do so for a long time to come.

At the Freedom Community Trust, we lost a great friend, trusted advisor, and loyal supporter: Rita Butler. Rita served our communities and surrounding area with distinction for over 20 years and the positive impact of her hard work will stand as a legacy for many years. We all miss her greatly.



Covid-19 has changed what we have been able to deliver and how we have delivered it. However, it has given us a renewed focus to support our communities in as many ways as we can. The overview of our organisation shows how we work to achieve this.

Although we have had major disruption to our normal operations we have adapted to ensure that we have met and exceeded our obligations to our beneficiaries. To achieve this both myself and my fellow trustees are grateful for the hard work and support of the Directors and staff of Preston Road Enterprises, our local politicians, charity partners and friends in the private sector. Pulling together we have achieved as lot, invested in our facilities, and placed ourselves and the communities we support, firmly on the road to recovery.

Whilst I am sure that there will be more challenges to face in the future, we are in a good position to face them head on.

The Freedom Community Trust Limited

**Report of the Trustees
for the year ended 31st March 2021**

Sue Sheppard – Chair

ACHIEVEMENTS AND PERFORMANCE

We have had to operate differently this year; however we have still managed work through considerable disruption to deliver against our charitable objectives.

Objective	What we did
The relief of poverty and unemployment	<p>We worked with EMS to continue the success of our food project, with ever more members joining and further support offered by the business community.</p> <p>Working with our local MP, local councillors, the private sector, and EMS we were proud to be an important partner in the emergency food response during the covid lockdown. As well as providing vital logistics to the food parcel service we also had a food support service that met specific needs that fell outside of the main programmes. We also played a key part in ensuring our beneficiaries received non-food items including toilet roll and sanitary products.</p>
The advancement of education, training, or retraining	<p>By ensuring that there were robust covid control measures in place we had confidence in the Freedom Centre being open through the pandemic to support provision of services. We continued to provide a high-quality location to the council's adult education facility.</p> <p>Our work to support the college continues, helping them to operate remotely and then face-to-face to ensure education could continue.</p>
The provision of financial assistance, technical assistance, advisory and counselling services, business advice or consultancy	<p>Support given to start-up businesses including technical and financial support. This included help to access covid support grants to ensure they could continue to operate through the pandemic.</p> <p>Support for youth enterprise continued through the pandemic along with support for care leavers to access work.</p>
The provision of facilities for recreational and leisure time and the organisation of leisure activities	<p>Supported the work of the Freedom Centre to deliver recreational facilities and positive social experiences. Covid secure procures were in place to help groups, including those vulnerable to isolation to re-engage with social activity from July 2020.</p>
The protection or conservation of the environment	<p>LED lighting installed around the Freedom Centre and efficient heating/insulation solution fitted to the Expressive Arts building.</p>
The holding of exhibitions, meetings, etc.	<p>The pandemic curtailed much of the activity, however we have been able to show case work done by the community during lockdown and beyond. Meetings have begun to start again and we have hosted groups including Humberside Police to support their engagement with the community,</p>
The promotion of public safety and prevention of crime	<p>Work with all agencies including police, housing providers and local authority continues to address issues.</p>
The promotion of health and healthy lifestyles	<p>We provided location support to a wide range of health promotion charities and the NHS to spread positive messages about health.</p> <p>Our community gym continued to provide an exceptional value service to its members.</p> <p>Our café provided low-cost high-quality food for the community.</p>

The Freedom Community Trust Limited

Report of the Trustees for the year ended 31st March 2021

FINANCIAL REVIEW

Financial and reserves position

The charities income for the year ended 31 March 2021 was £420,033 (2020 £497,301). The net outgoing resources amounted to £941,280 (2020 £1,001,396) resulting in a deficit of £521,247 (2020 £504,095). The charity had unrestricted reserves of £8,777,812 (2020 £9,281,973) and restricted reserves of £16,332 (2020 £33,418). Taking into account the nature of the charity's income streams, the trustees are of the view that reserves at these levels are sufficient.

FUTURE PLANS

The coming year is expected to be very difficult with concerns about revenue and how we will be impacted by Covid-19, Brexit, and other issues as they arise. We will be working to engage more with funders to deliver more targeted work. Our focus will be on supporting core services and providing the best quality of life we can for our communities in the safest possible way.

Objective	Our plans
The relief of poverty and unemployment	Working with partners to improve opportunities to find employment. Continued partnering with EMS to help reduce household expenditure on utilities and food, reducing poverty Continue to partner with PROBE and others to support skills and employability
The advancement of education, training, or retraining	Providing accommodation for the Adult Education Facility at the Freedom Centre Supporting Hull Training and Hull College to increase access to training for local residents
The provision of financial assistance, technical assistance, advisory and counselling services, business advice or consultancy	Supporting the co-location of voluntary groups, start-up businesses or other third sector Organisations within the Village Centre and providing limited financial support for local small community groups. Support youth enterprise
The provision of facilities for recreational and leisure time and the organisation of leisure activities	Supporting the work of the Freedom Centre to deliver recreational facilities and positive social experiences Develop existing community groups Encourage new community groups to form
The protection or conservation of the environment	Working with partners and others to explore ways of ensuring the development towards sustainability of the local environment
The holding of exhibitions, meetings, etc.	Supporting the Freedom Centre to provide exceptional quality facilities to the benefit of the wider community
The promotion of public safety and prevention of crime	Encouraging the involvement of wider representation at local meetings or other meetings to ensure that social and environmental issues are dealt with promptly.
The promotion of health and healthy lifestyles	Supporting or co-ordinating health promoting charities, volunteer groups, statutory bodies, and the objectives of national programmes.

The Freedom Community Trust Limited

Report of the Trustees for the year ended 31st March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Freedom Community Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 2nd November 2021 and signed on its behalf by:



S Sheppard - Trustee

Report of the Independent Auditors to the Members of The Freedom Community Trust Limited

Opinion

We have audited the financial statements of The Freedom Community Trust Limited (the parent 'charitable company') and its subsidiary (the "group") for the year ended 31st March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the parent charitable company's affairs as at 31st March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the group financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the parent charitable company or subsidiary group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the group financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the group financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Report of the Independent Auditors to the Members of The Freedom Community Trust Limited

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of group financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group financial statements, the trustees are responsible for assessing the charitable company's and groups ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the charity only and consolidated financial statements or the operations of the charitable company and the group, including the Companies Act 2006, the Charities Act 2011, data protection, anti-bribery, employment, fundraising regulations, health and safety legislation, health and social care regulations and childcare regulations. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the charitable company's and consolidated financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships; tested journal entries to identify unusual transactions; assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to agreeing charity only and consolidated financial statement disclosures to underlying supporting documentation; reading the minutes of meetings of those charged with governance; enquiring of management as to actual and potential litigation and claims; and reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.


The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Report of the Independent Auditors to the Members of
The Freedom Community Trust Limited**

Use of our report

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. Our audit work has been undertaken so that we might state to the charitable group company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Luke Taylor BSc(Hons) ACA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

2nd November 2021

The Freedom Community Trust Limited

**Consolidated Statement of Financial Activities
for the year ended 31st March 2021**

	Notes	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities	3				
Grants		115,989	21,300	137,289	94,779
Investment income	2	491,821	-	491,821	488,571
Trading activities		73,658	-	73,658	243,263
Other income		300	-	300	600
Total		681,768	21,300	703,068	827,213
EXPENDITURE ON					
Raising funds	4	63,728	-	63,728	157,256
Charitable activities	5				
Community services & facilities		1,055,465	35,536	1,091,001	1,188,142
Total		1,119,193	35,536	1,154,729	1,345,398
NET INCOME/(EXPENDITURE)		(437,425)	(14,236)	(451,661)	(518,185)
Transfer between funds	18	2,850	(2,850)	-	-
NET MOVEMENT IN FUNDS		(434,575)	(17,086)	(451,661)	(518,185)
RECONCILIATION OF FUNDS					
Total funds brought forward		9,306,674	33,418	9,340,092	9,858,277
TOTAL FUNDS CARRIED FORWARD		8,872,099	16,332	8,888,431	9,340,092

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year.

The notes form part of these financial statements

The Freedom Community Trust Limited

**Consolidated Balance Sheet
31st March 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	14	<u>8,471,575</u>	<u>8,951,370</u>
		8,471,575	8,951,370
CURRENT ASSETS			
Stock	16	1,990	2,930
Debtors	17	78,055	93,131
Cash at bank		<u>511,667</u>	<u>399,791</u>
		591,712	495,852
CREDITORS			
Amounts falling due within one year	18	<u>(174,856)</u>	<u>(107,130)</u>
NET CURRENT ASSETS		<u>416,856</u>	<u>388,722</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,888,431	9,340,092
NET ASSETS		<u>8,888,431</u>	<u>9,340,092</u>
FUNDS	20		
Unrestricted funds		8,872,099	9,306,674
Restricted funds		<u>16,332</u>	<u>33,418</u>
TOTAL FUNDS		<u>8,888,431</u>	<u>9,340,092</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 2nd November 2021 and were signed on its behalf by:


S Sheppard - Trustee

The Freedom Community Trust Limited

**Charity Balance Sheet
31st March 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	14	8,457,175	8,929,959
Investments	15	<u>10</u>	<u>10</u>
		8,457,185	9,929,969
CURRENT ASSETS			
Debtors	17	39,323	78,392
Cash at bank		<u>342,420</u>	<u>320,742</u>
		381,743	399,134
CREDITORS			
Amounts falling due within one year	18	<u>(44,784)</u>	<u>(13,712)</u>
NET CURRENT ASSETS		336,959	385,422
TOTAL ASSETS LESS CURRENT LIABILITIES		8,794,144	9,315,391
NET ASSETS		8,794,144	9,315,391
FUNDS	20		
Unrestricted funds		8,777,812	9,281,973
Restricted funds		<u>16,332</u>	<u>33,418</u>
TOTAL FUNDS		8,794,144	9,315,391

The financial statements were approved by the Board of Trustees and authorised for issue on 2nd November 2021 and were signed on its behalf by:


S Sheppard - Trustee

The Freedom Community Trust Limited

**Cash Flow Statement
for the year ended 31st March 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>112,564</u>	<u>(35,810)</u>
Net cash (used in)/provided by operating activities		<u>112,564</u>	<u>(35,810)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(688)</u>	<u>(39,746)</u>
Net cash used in investing activities		<u>(688)</u>	<u>(39,746)</u>
Change in cash and cash equivalents in the reporting period		111,876	(3,936)
Cash and cash equivalents at the beginning of the reporting period		<u>399,791</u>	<u>403,727</u>
Cash and cash equivalents at the end of the reporting period		<u>511,667</u>	<u>399,791</u>

The notes form part of these financial statements

The Freedom Community Trust Limited

**Notes to the Cash Flow Statement
for the year ended 31st March 2021**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(451,661)	(518,185)
Adjustments for:		
Depreciation charges	480,483	498,928
Loss on disposal of fixed assets	-	-
(Increase)/decrease in debtors	15,076	79,393
(Increase)/decrease in stocks	940	1,782
(Decrease)/increase in creditors	<u>67,726</u>	<u>(26,108)</u>
Net cash (used in)/provided by operations	<u>112,564</u>	<u>(35,810)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank	<u>399,791</u>	<u>111,876</u>	<u>511,667</u>
Total	<u>399,791</u>	<u>111,876</u>	<u>511,667</u>

The notes form part of these financial statements

The Freedom Community Trust Limited

Notes to the Financial Statements for the year ended 31st March 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the 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 2019)', 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, with the exception of investments which are included at market value.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Voluntary income is recognised once the Charity has been able to establish certainty as to the timing and amount of the income.

Investment income received in respect of the letting of premises is recognised in the Statement of Financial Activities in the period to which it relates.

Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any value added tax which cannot be recovered. Costs associated with the provision of the premises from which the Charity derives its investment income are classified as costs of raising funds, whilst all remaining costs, excluding governance costs, are treated as supporting the grant making activities and classified as appropriate.

Grants in furtherance of the Charity's objectives are recorded on the basis of the liability arising in the period.

Tangible fixed assets

Fixed assets are initially recorded at cost. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold buildings	Straight line over 25 or 50 years
Freehold land	Nil
Leasehold buildings	Straight line over the term of the lease
Fixtures and fittings	Straight line over 3 to 5 years

All land and buildings are classified as mixed motive investments held for a combination of the financial return they generate and the contribution their use by the subsidiary and other parties makes to the investing Charity's own purposes. However the trustees consider it impractical to apportion the properties between tangible fixed assets and investment properties such that all properties are classed as tangible fixed assets.

Fixed asset investments are included at cost less any provision for permanent diminution in value.

Taxation

The company, as a registered Charity, has obtained exemption from corporation tax. Charitable tax exemptions can therefore be claimed to the extent that income and/or gain are applicable and applied for charitable purposes only. Value added tax is absorbed as part of the operational costs of the company to the extent that it is not able to be recovered under the terms of its registration.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

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

The restricted funds at the balance sheet date comprise of £16,332 in respect of the Freedom Fresh Food Project, funded by the Big Lottery Fund helping provide fresh food for families in need. Further funding has been awarded to allow the Fresh Food Project to continue for a further six months.

Financial instrument

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

The Freedom Community Trust Limited

**Notes to the Financial Statements - continued
for the year ended 31st March 2021**

1. ACCOUNTING POLICIES - continued

Stocks

Stocks are stated at the lower of cost or estimated selling price less costs to complete and sell. At each reporting date an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the Statement of Financial Activities. Reversals of impairment losses are also recognised in the Statement of Financial Activities.

Pensions

The subsidiary undertaking Preston Road Enterprises Limited makes payments to a money purchase pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Operating leases

Leases which do not transfer substantially all the risks and rewards incidental to ownership are classified as operating leases.

Income from operating leases is recognised in the Statement of Financial Activities on a straight line basis over the lease term. Costs incurred in earning the lease income are recognised as costs of raising funds.

Operating lease expenses are recognised as an expense over the lease term on a straight line basis.

2. INVESTMENT INCOME

	2021 £	2020 £
Rents and service charges receivable	<u>491,821</u>	<u>488,571</u>

All of the investment income for 2021 and 2020 is unrestricted income.

3. ANALYSIS OF GRANTS

	Unrestricted £	Restricted £	2021 £	2020 £
Big Lottery - Freedom Fresh Food	-	21,300	21,300	90,548
Government grant income	<u>115,989</u>	<u>-</u>	<u>115,989</u>	<u>4,231</u>
	<u>115,989</u>	<u>21,300</u>	<u>137,289</u>	<u>94,799</u>

For 2020 £90,548 of the grants received are restricted income, with the remained being unrestricted.

4. RAISING FUNDS

	Unrestricted £	Restricted £	2021 £	2020 £
Property management costs	58,379	-	58,379	73,701
Cost of goods sold and other costs	<u>5,349</u>	<u>-</u>	<u>5,349</u>	<u>83,555</u>
	<u>63,728</u>	<u>-</u>	<u>63,728</u>	<u>157,256</u>

All costs for 2020 are unrestricted costs.

The Freedom Community Trust Limited

**Notes to the Financial Statements - continued
for the year ended 31st March 2021**

5. CHARITABLE ACTIVITIES COSTS

	Direct charitable activities £	Grant funding of activities £	Support costs (see note 6) £	Totals 2021 £	Totals 2020 £
Community services & facilities	449,299	10,000	631,702	1,091,001	1,188,142

Of the costs of charitable activities £35,537 (2020: £64,348) were restricted costs and the balance unrestricted.

6. SUPPORT COSTS

	2021 £	2020 £
Management	39,047	38,373
Finance	28,057	29,552
Information technology	302	895
Human resources	73,013	76,691
Premises costs	-	-
Governance costs	10,800	11,000
Depreciation	480,483	498,928
Loss on disposal of fixed assets	-	-
	514,660	655,439

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Depreciation - owned assets	480,483	498,298

8. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	10,800	11,000

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2021 nor for the year ended 31st March 2020.

Trustees' expenses

During the year expenses totalling £300 (2020: £425) were paid to 1 trustee (2020: 2) for telephone, internet and other expenses.

10. STAFF COSTS

	2021 £	2020 £
Wages and salaries	372,353	393,156
Social security costs	22,768	24,900
Pensions	8,547	8,821
	403,668	426,877

There were no employees whose emolument as defined for taxation purposes amounted to over £60,000 in the year.

Notes to the Financial Statements - continued
for the year ended 31st March 2021

11. NET OUTGOING RESOURCES OF PARENT CHARITY

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent charity is not presented as part of these financial statements. The parent charity's net outgoing resources for the year ended 31 March 2021 totalled a deficit of £521,247 (2020: £504,092).

12. INCOME/(EXPENDITURE) FROM COMMERCIAL TRADE OPERATIONS

	2021 £	2020 £
Turnover	647,175	814,466
Cost of sales	227,547	331,577
GROSS PROFIT	419,628	482,889
Administrative expenses	461,992	479,754
	(42,364)	3,135
Other operating income	115,989	4,231
OPERATING PROFIT and PROFIT BEFORE TAXATION	73,625	7,366
Tax on profit	-	-
PROFIT FOR THE FINANCIAL YEAR	73,625	7,366

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Grants	4,231	90,548	94,779
Investment income	488,571	-	488,571
Trading activities	243,263	-	243,263
Other income	600	-	600
Total	736,665	90,548	827,213
EXPENDITURE ON			
Raising funds	157,256	-	157,256
Charitable activities			
Community services & facilities	1,123,794	64,348	1,188,142
Total	1,281,050	64,348	1,345,398
NET INCOME/(EXPENDITURE)	(544,385)	26,200	(518,185)
TRANSFER BETWEEN FUNDS	11,000	(11,000)	-
NET MOVEMENT IN FUNDS	(533,385)	15,200	(518,185)
Total funds brought forward	9,840,059	18,218	9,858,277
TOTAL FUNDS CARRIED FORWARD	9,306,674	33,418	9,340,092

The Freedom Community Trust Limited

**Notes to the Financial Statements - continued
for the year ended 31st March 2021**

14. TANGIBLE FIXED ASSETS

GROUP	Freehold property £	Long leasehold £	Fixtures and fittings £	Plant and machinery £	Totals £
COST					
At 1st April 2020	12,975,971	3,843,682	71,083	257,372	17,148,108
Additions	-	-	-	688	688
At 31st March 2021	12,975,971	3,843,682	71,083	258,059	17,148,796
DEPRECIATION					
At 1st April 2020	5,811,316	2,113,780	35,680	235,962	8,196,738
Charge for year	317,848	146,125	8,815	7,695	480,483
At 31st March 2021	6,129,164	2,259,905	44,495	243,657	8,677,221
NET BOOK VALUE					
At 31st March 2021	6,846,807	1,583,777	26,588	14,403	8,471,575
At 31st March 2020	7,164,655	1,729,902	35,403	21,410	8,951,370
CHARITY					
	Freehold property £	Long leasehold £	Fixtures and fittings £		Totals £
COST					
At 1st April 2020	12,975,971	3,843,682	71,083		16,890,736
Additions	-	-	-		-
At 31st March 2021	12,975,971	3,843,682	71,083		16,890,736
DEPRECIATION					
At 1st April 2020	5,811,317	2,113,780	35,680		7,960,777
Charge for year	317,844	146,125	8,815		472,784
At 31st March 2021	6,129,161	2,259,905	44,495		8,433,561
NET BOOK VALUE					
At 31st March 2021	6,846,810	1,583,777	26,588		8,457,175
At 31st March 2020	7,164,654	1,729,902	35,403		8,929,959

All leasehold and freehold land and buildings are considered to be mixed motive investments held for a combination of their financial return and contribution they make to the objectives of the Charity. However, the trustees consider it impractical to make an apportionment between functional property and investment property such that all properties are classed as tangible fixed assets.

15. INVESTMENTS

£

Shares in subsidiary company

At cost

At 1st April 2020 and 31st March 2021

10

Net book value

At 31st March 2020 and 31st March 2021

10

The Freedom Community Trust Limited

**Notes to the Financial Statements - continued
for the year ended 31st March 2021**

15. INVESTMENTS -continued

£

Details of investments are as follows:

Name of company	Holdings	Proportion of shares held	Nature of business
Preston Road Enterprises Limited	Ordinary	100%	Function/meeting facilities

The subsidiary undertaking is registered in England and Wales.

In the opinion of the directors, the value of the company's investment in its subsidiary undertaking is not less than the amount at which it is stated in the balance sheet.

16. STOCKS	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Finished goods and goods for resale	1,990	-	2,930	-
17. DEBTORS	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Trade debtors	496	19,955	17,958	35,525
Other debtors	58,191	-	74,161	-
Amounts due from subsidiary undertaking	-	-	-	41,865
Prepayments and accrued income	19,368	19,368	1,002	1,002
	<u>78,055</u>	<u>39,323</u>	<u>93,131</u>	<u>78,392</u>
18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Trade creditors	59,188	33,155	35,269	1,065
Social security and other taxes	23,167	3,054	19,359	831
Other creditors	83,928	-	41,180	494
Accruals and deferred income	8,573	8,573	11,322	11,322
	<u>174,856</u>	<u>44,784</u>	<u>107,130</u>	<u>13,712</u>
19. LEASING AGREEMENTS	2021 Group £	2021 Charity £	2020 Group £	2020 Charity £
Minimum lease payments under non-cancellable operating leases fall due as follows:				
Within one year	5,325	2,350	6,696	3,151
Between one and five years	15,275	6,943	18,517	8,599
In more than five years	217,591	217,591	219,674	219,674
	<u>239,182</u>	<u>228,273</u>	<u>244,887</u>	<u>231,424</u>

The Freedom Community Trust Limited
Notes to the Financial Statements - continued
for the year ended 31st March 2021

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
Fixed assets	8,471,575	-	8,471,575	8,951,370
Current assets	575,380	16,332	591,712	495,852
Current liabilities	(174,856)	-	(174,856)	(107,130)
	<u>8,872,099</u>	<u>16,332</u>	<u>8,888,431</u>	<u>9,340,092</u>

CHARITY	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
Fixed assets	8,457,175	-	8,457,175	8,929,959
Investments	10	-	10	10
Current assets	365,411	16,332	381,743	399,134
Current liabilities	(44,784)	-	(44,784)	(13,712)
	<u>8,777,812</u>	<u>16,332</u>	<u>8,794,144</u>	<u>9,315,391</u>

21. MOVEMENT IN FUNDS

GROUP	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	9,306,674	(434,575)	8,872,099
Restricted funds			
Restricted fund	33,418	(17,086)	16,332
TOTAL FUNDS	<u>9,340,092</u>	<u>(451,661)</u>	<u>8,888,431</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Transfer between funds £	Movement in funds £
Unrestricted funds				
General fund	681,768	(1,119,193)	2,850	(434,575)
Restricted funds				
Restricted fund	21,300	(35,536)	(2,850)	(17,086)
TOTAL FUNDS	<u>703,068</u>	<u>(1,154,729)</u>	<u>-</u>	<u>(451,661)</u>

The Freedom Community Trust Limited
Notes to the Financial Statements - continued
for the year ended 31st March 2021

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	9,840,059	(533,385)	9,306,674
Restricted funds			
Restricted fund	18,218	15,200	33,418
TOTAL FUNDS	<u>9,858,277</u>	<u>(518,185)</u>	<u>9,340,092</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Transfer between funds £	Movement in funds £
Unrestricted funds				
General fund	736,665	(1,281,050)	11,000	(533,385)
Restricted funds				
Restricted fund	<u>90,548</u>	<u>(64,348)</u>	<u>(11,000)</u>	<u>15,200</u>
TOTAL FUNDS	<u>827,213</u>	<u>(1,345,398)</u>	<u>-</u>	<u>(518,185)</u>

CHARITY

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	9,281,973	(504,161)	8,777,812
Restricted funds			
Restricted fund	33,418	(17,086)	16,332
TOTAL FUNDS	<u>9,315,391</u>	<u>(521,247)</u>	<u>8,794,144</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Transfer between funds £	Movement in funds £
Unrestricted funds				
General fund	398,733	(905,744)	2,850	(504,161)
Restricted funds				
Restricted fund	<u>21,300</u>	<u>(35,536)</u>	<u>(2,850)</u>	<u>(17,086)</u>
TOTAL FUNDS	<u>420,033</u>	<u>(941,280)</u>	<u>-</u>	<u>(521,247)</u>

The Freedom Community Trust Limited

**Notes to the Financial Statements - continued
for the year ended 31st March 2021**

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	9,801,268	(519,295)	9,281,973
Restricted funds			
Restricted fund	18,218	15,200	33,418
TOTAL FUNDS	<u>9,819,486</u>	<u>(504,095)</u>	<u>9,315,391</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Transfer between funds £	Movement in funds £
Unrestricted funds				
General fund	406,753	(937,048)	11,000	(519,295)
Restricted funds				
Restricted fund	<u>90,548</u>	<u>(64,348)</u>	<u>(11,000)</u>	<u>15,200</u>
TOTAL FUNDS	<u>497,301</u>	<u>(1,001,396)</u>	<u>-</u>	<u>(504,095)</u>

22. EMPLOYEE BENEFIT OBLIGATIONS

From 31st March 2010, all staff are employed by the subsidiary undertaking, Preston Road Enterprises Limited, which is responsible for all staff pension contributions.

23. CONTINGENT LIABILITIES

- (i) The terms of the company's original funding agreement with Government office provide that if fixed assets are sold or their ownership transferred while they have any economic value, Government Office must be notified as soon as possible and they may require the proceeds or an appropriate proportion thereof to be repaid.
- (ii) The Village Childcare Centre was in part funded by the National Lottery. In the event that the building is sold 6.6% of the market value (being the proportion of the original construction costs funded by the donor) will be repayable to the donor under the terms of the grant.

24. DIRECTORS' INTERESTS AND RELATED PARTY DISCLOSURES

- a) The board members named in the directors' report as Resident or Independent Trustees live in the Preston Road neighbourhood. As such they are likely to have derived some benefit from the projects and initiatives undertaken by the company. However apart from the matter noted below the Board is of the opinion that such benefits are unlikely to influence the said members in pursuing the separate interests of the Charity. Accordingly in accordance with paragraph 9.18 SORP 2015 no disclosure is considered necessary.
- b) In the course of the year the Charity charged rent, service charges and insurance totalling £45,966 (2020: £46,679) to Child Dynamix Ltd, of which the Trustee J. Boyd is a director. At the balance sheet date £13,019 (2020: £17,182) was owed to the Charity by Child Dynamix Ltd.
- c) In the course of the year the Charity paid Environmental and Management Solutions Ltd £32,634 (2020: £63,445) in connection with the delivery of the Freedom Fresh Food projection and a further £5,433 in relation to H&S (2020: £nil). In the course of the year the Charity charged rent, service charges, insurance & utilities totalling £12,971 (2020: £8,683) and paid £nil (2020: £100) in relation to summer activities. At the balance sheet date £388 (2020: £4,469) was owed to the Charity by Environmental and Management Solutions. The trustee Janet Boyd is an officer of this company.

The Freedom Community Trust Limited

**Notes to the Financial Statements - continued
for the year ended 31st March 2021**

25. ULTIMATE CONTROLLING PARTY

The company is controlled by the directors who are also the Charity's trustees for Charity law purposes.

26. MEMBER'S LIABILITY

The company was incorporated as a company limited by guarantee and therefore has no share capital and is also registered as a Charity. The liability of the members is limited on the winding up of the company. Each member is only liable whilst being a member.

At the balance sheet date there were 9 members.

27. CONTINGENT ASSET

During 2005 the company successfully defended an employment tribunal case brought by a former employee. The company was awarded costs of £10,197 which the claimant was not immediately able to pay. The amount of costs plus accrued interest at 8% per annum is now secured against the claimant's private residence and will be settled when the property is sold.