



Smailes Goldie Group
CREATING ADVANTAGE

REGISTERED COMPANY NUMBER: 04012143 (England and Wales)
REGISTERED CHARITY NUMBER: 1094807

The Freedom Community Trust Limited

Consolidated Financial Statements

31st March 2022

The Freedom Community Trust Limited

**Contents of the Financial Statements
for the year ended 31st March 2022**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 - 5
Report of the Independent Auditors	6 - 8
Consolidated Statement of Financial Activities	9
Consolidated Balance Sheet	10
Charity Balance Sheet	11
Cash Flow Statement	12
Notes to the Cash Flow Statement	13
Notes to the Financial Statements	14 - 23

The Freedom Community Trust Limited

**Reference and Administrative Details
for the year ended 31st March 2022**

TRUSTEES

S J Alltoft
J Boyd
H C Bridges
S L Hatfield
S P Jackson
H McConnell
R Norman
Rev R P Phillips
S Sheppard
A M Thompson (appointed 25.05.22)

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

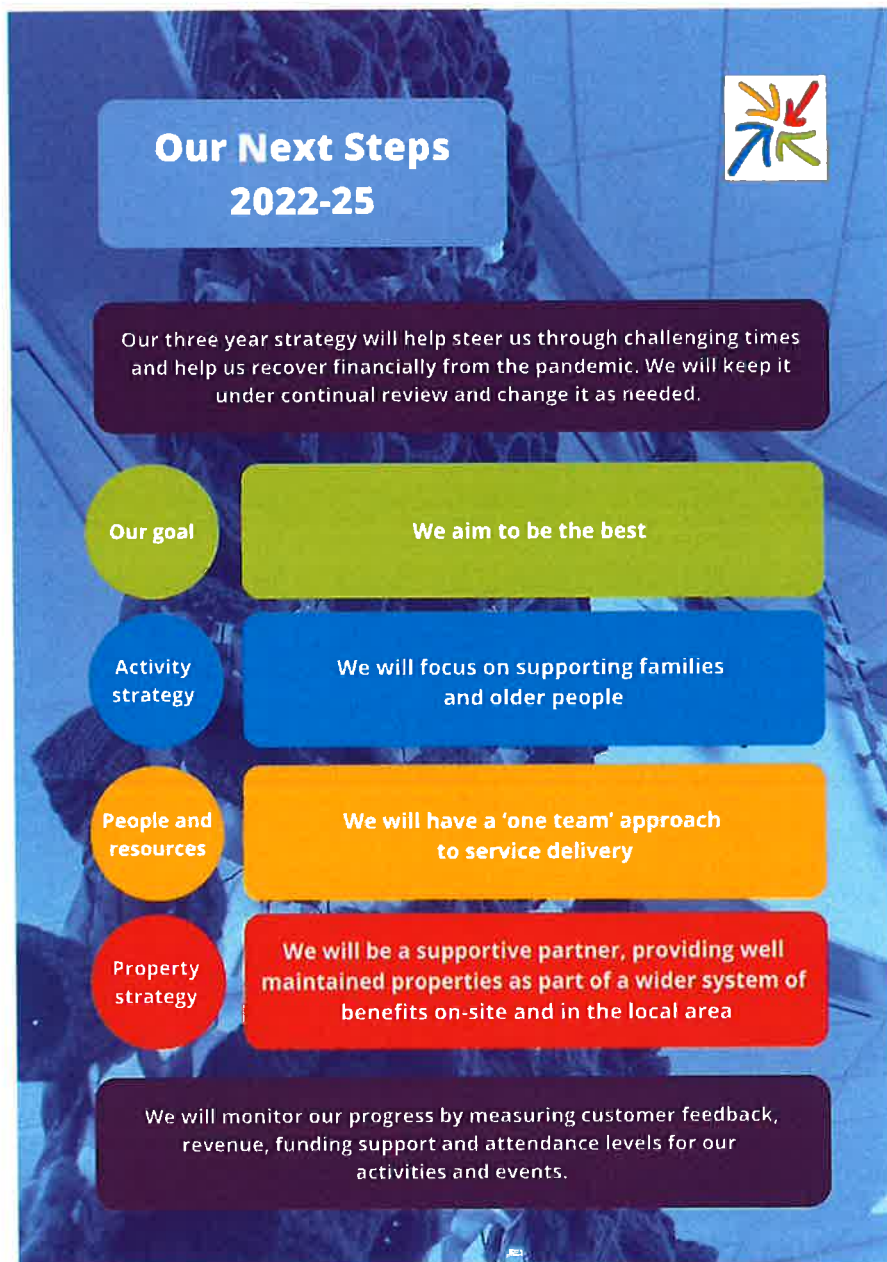
BANKERS

Yorkshire Bank Plc
214 Holderness Road
Hull
HU9 2AA

**Report of the Trustees
for the year ended 31st March 2022**

At the end of 2021-22, we all saw that the grip that Covid-19 has had on all of our lives started to relax. The days of being required to remain in our homes, and the work done by the FCT in partnership with EMS, local politicians, and the generosity of organisations such as Cranswick foods, that keep so many people going, seemed like a long time ago. However, even though restrictions lifted, the impact of the pandemic continued to be felt. Whilst everyone was allowed to associate freely, our communities told us that they remained concerned about going out, especially those with health vulnerabilities.

We saw this in our visitor numbers and in the daily trading of our trading company, which is continually taking significantly less than before the pandemic. We recognised that the situation was unlikely to resolve quickly, and the board approved a three-year strategy to focus our limited resources on areas most likely to generate sustainable success:



Created following extensive stakeholder and community consultation, our strategy is to focus on what we do best, work as a close partner to our tenants, and work tether as a single team across the organisation. By focusing resources, we believe we can get better outcomes for the community in the longer term.

Whilst we don't know what will come next, we do know that the challenges will continue, from thins that we can already

The Freedom Community Trust Limited

Report of the Trustees for the year ended 31st March 2022

see - such as the long-term impact of the war in Ukraine and the cost-of-living increases (which include the cost of running buildings and organisations) – to things we can't yet anticipate. Whatever happens, we know that our communities need us and we will continue to support them long into the future.

Sue Sheppard – Chair

ACHIEVEMENTS AND PERFORMANCE

Even though we have a definitive specific focus, we continue to deliver across all of our charitable objectives, working hard to make sure that we meet and exceed the responsibilities placed upon us.

Our highlights include (but are not limited to):

Objective	What we did
The relief of poverty and unemployment	<p>We continued our work with EMS to continue the success of our food project, with ever more members joining and further support offered by the business community. We succeeded in securing a two-year extension to the project thanks to support from the national lottery and Places for People. We remain indebted to Cranswick foods and partners for their continued generosity and support. We continued our commitment to invest in the CLLD programme with PROBE and we pleased to see some of the best results amongst providers from across the city, with people from our communities benefiting from new skills and work opportunities.</p> <p>We began a number of projects, with some at the delivery and others at the planning stages, to help people in our communities cope with the cost of living, such as Clean Kids – a hygiene support programme that has provided materials for children and families to keep clean. Working with schools as well as the Freedom Centre we have seen an incredible uptake.</p>
The advancement of education, training, or retraining	<p>We continue the support of adult education, library, and community ICT services to and ensure that are communities get the best access skills and training.</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 continues along with support for care leavers to access work and other related support.</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 saw Covid safe pantomimes and family activities return, providing much needed relief in difficult times.</p>
The protection or conservation of the environment	<p>We continued our programme to introduce LED lighting. We also introduced other measures such as PIR sensors to shut off lights when areas not in use. Improved signage reduced the preservation of water.</p>
The holding of exhibitions, meetings, etc.	<p>In person meetings returned and we look forward to these increasing as confidence grows following the end of restrictions.</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 Freedom Community Trust Limited

**Report of the Trustees
for the year ended 31st March 2022**

ACHIEVEMENTS AND PERFORMANCE Cont.

Objective	What we did
The promotion of health and healthy lifestyles	We provided location support to a wide range of health promotion charities and the NHS to spread positive messages about health. Our community gym continued to provide an exceptional value service to its members. Our café provided low-cost high-quality food for the community.

FINANCIAL REVIEW

FINANCIAL AND RESERVES POSITION

The charity's income for the year ended 31 March 2022 was £659,735 (2021: £703,068). The net outgoing resources amounted to £1,129,898 (2021: £1,154,729) resulting in a deficit of £470,163 (2021: £451,661).

The charity had unrestricted reserves of £8,398,436 (2021: £8,872,099) and restricted reserves of £19,832 (2021: £16,332). 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

We will see increasing demands for support, rising delivery costs and continued pressure on revenues. However, we will continue our commitment to deliver our objectives. We are hopefully that providers in the funding market will be returning to support community priorities.

Objective	Our plans
The relief of poverty and unemployment	We will continue to work with partners to improve opportunities to access skills and 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	We will continue to provide accommodation for the Adult Education Facility at the Freedom Centre We will support 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	We will be supporting the co-location of voluntary groups, start-up businesses or other third sector organisations. We will do more to co-ordinate activity and share information. We will give opportunities to people supported by the youth enterprise work we do in the city where it is appropriate.
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 Freedom Community Trust Limited

Report of the Trustees for the year ended 31st March 2022

FUTURE PLANS Cont.

Objective	Our plans
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	We will seek improvements in the security of the area working closely with agencies such as the police.
The promotion of health and healthy lifestyles	Supporting or co-ordinating health promoting charities, volunteer groups, statutory bodies, and the objectives of national programmes. We will be relaunching our gym with new marketing materials, offers to support sustained membership and reintroducing exercise classes that will be available to more people than ever before.

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 23.11.22 2022 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 2022 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 2022 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

21 November 2022

The Freedom Community Trust Limited

**Consolidated Statement of Financial Activities
for the year ended 31st March 2022**

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Grants and donations	3	33,108	3,500	36,608	137,289
Investment income	2	476,883	-	476,883	491,821
Trading activities		146,244	-	146,244	73,658
Other income		-	-	-	300
Total		656,235	3,500	659,735	703,068
EXPENDITURE ON					
Raising funds	4	102,569	-	102,569	63,728
Charitable activities	5				
Community services & facilities		1,027,329	-	1,027,329	1,091,001
Total		1,129,898	-	1,129,898	1,154,729
NET INCOME/(EXPENDITURE)		(473,663)	3,500	(470,163)	(451,661)
NET MOVEMENT IN FUNDS		(473,663)	3,500	(470,163)	(451,661)
RECONCILIATION OF FUNDS					
Total funds brought forward		8,872,099	16,332	8,888,431	9,340,092
TOTAL FUNDS CARRIED FORWARD		8,398,436	19,832	8,418,268	8,888,431

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 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	14	<u>7,998,035</u>	<u>8,471,575</u>
CURRENT ASSETS			
Stock	16	2,086	1,990
Debtors	17	65,118	78,055
Cash at bank		<u>451,564</u>	<u>511,667</u>
		518,768	591,712
CREDITORS			
Amounts falling due within one year	18	<u>(98,535)</u>	<u>(174,856)</u>
NET CURRENT ASSETS		<u>420,233</u>	<u>416,856</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,418,268</u>	<u>8,888,431</u>
NET ASSETS		<u>8,418,268</u>	<u>8,888,431</u>
FUNDS	20		
Unrestricted funds		8,398,436	8,872,099
Restricted funds		<u>19,832</u>	<u>16,332</u>
TOTAL FUNDS		<u>8,418,268</u>	<u>8,888,431</u>

The financial statements were approved by the Board of Trustees and authorised for issue on _____ 2022
and were signed on its behalf by:


S Sheppard - Trustee

The Freedom Community Trust Limited

**Charity Balance Sheet
31st March 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	14	7,986,273	8,457,175
Investments	15	10	10
		7,986,283	8,457,185
CURRENT ASSETS			
Debtors	17	17,623	39,323
Cash at bank		336,381	342,420
		354,004	381,743
CREDITORS			
Amounts falling due within one year	18	(14,475)	(44,784)
NET CURRENT ASSETS		339,529	336,959
TOTAL ASSETS LESS CURRENT LIABILITIES		8,325,812	8,794,144
NET ASSETS		8,325,812	8,794,144
FUNDS	20		
Unrestricted funds		8,305,980	8,777,812
Restricted funds		19,832	16,332
TOTAL FUNDS		8,325,812	8,794,144

The financial statements were approved by the Board of Trustees and authorised for issue on 23-11-22 2022 and were signed on its behalf by:


S Sheppard - Trustee

The Freedom Community Trust Limited

**Cash Flow Statement
for the year ended 31st March 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(56,103)</u>	<u>112,564</u>
Net cash (used in)/provided by operating activities		<u>(56,103)</u>	<u>112,564</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(4,000)</u>	<u>(688)</u>
Net cash used in investing activities		<u>(4,000)</u>	<u>(688)</u>
Change in cash and cash equivalents in the reporting period		(60,103)	111,876
Cash and cash equivalents at the beginning of the reporting period		<u>511,667</u>	<u>399,791</u>
Cash and cash equivalents at the end of the reporting period		<u>451,564</u>	<u>511,667</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 2022**

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

	2022	2021
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(470,163)	(451,661)
Adjustments for:		
Depreciation charges	477,540	480,483
Loss on disposal of fixed assets	-	-
(Increase)/decrease in debtors	12,937	15,076
(Increase)/decrease in stocks	(96)	940
(Decrease)/increase in creditors	<u>(76,321)</u>	<u>67,726</u>
Net cash (used in)/provided by operations	<u>(56,103)</u>	<u>112,564</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank	511,667	(60,103)	451,564
Total	<u>511,667</u>	<u>(60,103)</u>	<u>451,564</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 2022

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 £19,832 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.

Notes to the Financial Statements - continued
for the year ended 31st March 2022

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

	2022 £	2021 £
Rents and service charges receivable	<u>476,883</u>	<u>491,821</u>

All of the investment income for 2022 and 2021 is unrestricted income.

3. ANALYSIS OF GRANTS AND DONATIONS	Unrestricted £	Restricted £	2022 £	2021 £
Big Lottery - Freedom Fresh Food	-	3,500	3,500	21,300
Government grant income	32,108	-	32,108	115,989
Other donations	1,000	-	1,000	-
	<u>33,108</u>	<u>3,500</u>	<u>36,608</u>	<u>137,289</u>

For 2021 £21,300 of the grants received are restricted income, with the remained being unrestricted.

4. RAISING FUNDS	Unrestricted £	Restricted £	2022 £	2021 £
Property management costs	71,681	-	71,681	58,379
Cost of goods sold and other costs	30,888	-	30,888	5,349
	<u>102,569</u>	<u>-</u>	<u>102,569</u>	<u>63,728</u>

All costs for 2021 are unrestricted costs.

The Freedom Community Trust Limited

**Notes to the Financial Statements - continued
for the year ended 31st March 2022**

5. CHARITABLE ACTIVITIES COSTS

	Direct charitable activities £	Grant funding of activities £	Support costs (see note 6) £	Totals 2022 £	Totals 2021 £
Community services & facilities	379,161	10,000	638,168	1,027,329	1,091,001

Of the costs of charitable activities £nil (2021: £35,537) were restricted costs and the balance unrestricted.

6. SUPPORT COSTS

	2022 £	2021 £
Management	33,671	39,047
Finance	37,661	28,057
Information technology	315	302
Human resources	77,881	73,013
Governance costs	11,100	10,800
Depreciation	477,540	480,483
	638,168	631,702

7. NET INCOME/(EXPENDITURE)

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

	2022 £	2021 £
Depreciation - owned assets	477,540	480,483

8. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	11,100	10,800

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2022 nor for the year ended 31st March 2021.

Trustees' expenses

During the year expenses totalling £300 (2021: £300) were paid to 1 trustee (2021: 1) for telephone, internet and other expenses.

10. STAFF COSTS

	2022 £	2021 £
Wages and salaries	357,378	372,353
Social security costs	22,892	22,768
Pensions	8,524	8,547
	388,794	403,668

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

The Freedom Community Trust Limited

**Notes to the Financial Statements - continued
for the year ended 31st March 2022**

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 2022 totalled a deficit of £468,332 (2021: £521,247).

12. INCOME/(EXPENDITURE) FROM COMMERCIAL TRADE OPERATIONS

	2022 £	2021 £
Turnover	715,485	647,175
Cost of sales	234,445	227,547
GROSS PROFIT	481,040	419,628
Administrative expenses	436,263	461,992
	44,777	(42,364)
Other operating income	32,108	115,989
OPERATING PROFIT and PROFIT BEFORE TAXATION	76,885	73,625
Tax on profit	-	-
PROFIT FOR THE FINANCIAL YEAR	76,885	73,625

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Grants	115,989	21,300	137,289
Investment income	491,821	-	491,821
Trading activities	73,658	-	73,658
Other income	300	-	300
Total	681,768	21,300	703,068
EXPENDITURE ON			
Raising funds	63,728	-	63,728
Charitable activities			
Community services & facilities	1,055,465	35,536	1,091,001
Total	1,119,193	35,536	1,154,729
NET INCOME/(EXPENDITURE)	(437,425)	(14,236)	(451,661)
TRANSFER BETWEEN FUNDS	2,850	(2,850)	-
NET MOVEMENT IN FUNDS	(434,575)	(17,086)	(451,661)
Total funds brought forward	9,306,674	33,418	9,340,092
TOTAL FUNDS CARRIED FORWARD	8,872,099	16,332	8,888,431

The Freedom Community Trust Limited

**Notes to the Financial Statements - continued
for the year ended 31st March 2022**

14. TANGIBLE FIXED ASSETS

GROUP	Freehold property £	Long leasehold £	Fixtures and fittings £	Plant and machinery £	Totals £
COST					
At 1st April 2021	12,975,971	3,843,682	71,083	258,059	17,148,796
Additions	-	-	-	4,000	4,000
At 31st March 2022	12,975,971	3,843,682	71,083	262,059	17,152,796
DEPRECIATION					
At 1st April 2021	6,129,164	2,259,905	44,495	243,657	8,677,221
Charge for year	316,191	146,125	8,585	6,639	477,540
At 31st March 2022	6,445,355	2,406,030	53,080	250,296	9,154,761
NET BOOK VALUE					
At 31st March 2022	6,530,616	1,437,652	18,003	11,763	7,998,035
At 31st March 2021	6,846,807	1,583,777	26,588	14,403	8,471,575
CHARITY					
	Freehold property £	Long leasehold £	Fixtures and fittings £		Totals £
COST					
At 1st April 2021	12,975,971	3,843,682	71,083		16,890,736
Additions	-	-	-		-
At 31st March 2022	12,975,971	3,843,682	71,083		16,890,736
DEPRECIATION					
At 1st April 2021	6,129,161	2,259,905	44,495		8,433,561
Charge for year	316,191	146,125	8,586		470,902
At 31st March 2022	6,445,352	2,406,030	53,081		8,904,463
NET BOOK VALUE					
At 31st March 2022	6,530,619	1,437,652	18,002		7,986,273
At 31st March 2021	6,846,810	1,583,777	26,588		8,457,175

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 2021 and 31st March 2022	10
Net book value	
At 31st March 2021 and 31st March 2022	10

The Freedom Community Trust Limited

**Notes to the Financial Statements - continued
for the year ended 31st March 2022**

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	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Finished goods and goods for resale	2,086	-	1,990	-

17. DEBTORS	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Trade debtors	11,118	17,331	496	19,955
Other debtors	53,708	-	58,191	-
Amounts due from subsidiary undertaking	-	-	-	-
Prepayments and accrued income	292	292	19,368	19,368
	<u>65,118</u>	<u>17,623</u>	<u>78,055</u>	<u>39,323</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Trade creditors	34,526	7,078	59,188	33,157
Social security and other taxes	12,151	773	23,167	3,054
Other creditors	-	-	83,928	-
Accruals and deferred income	51,858	6,624	8,573	8,573
	<u>98,535</u>	<u>14,475</u>	<u>174,856</u>	<u>44,784</u>

19. LEASING AGREEMENTS	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Minimum lease payments under non-cancellable operating leases fall due as follows:				
Within one year	5,655	2,083	5,325	2,350
Between one and five years	14,239	8,332	15,275	8,332
In more than five years	215,508	215,508	217,591	217,591
	<u>235,402</u>	<u>225,923</u>	<u>238,191</u>	<u>228,273</u>

The Freedom Community Trust Limited
Notes to the Financial Statements - continued
for the year ended 31st March 2022

19. LEASING AGREEMENTS Cont.

	2022 Group £	2022 Charity £	2021 Group £	2021 Charity £
Minimum lease payments due to the charitable company and the group under non-cancellable operating leases fall due as follows:				
Within one year	296,999	267,447	368,586	285,581
Between one and five years	266,815	510,804	469,113	659,156
In more than five years	99,150	195,806	146,249	312,805
	<u>662,964</u>	<u>974,057</u>	<u>983,948</u>	<u>1,257,542</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
Fixed assets	7,998,035	-	7,998,035	8,471,575
Current assets	498,936	19,832	518,768	591,712
Current liabilities	(98,535)	-	(98,535)	(174,856)
	<u>8,398,436</u>	<u>19,832</u>	<u>8,418,268</u>	<u>8,888,431</u>

CHARITY	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
Fixed assets	7,986,273	-	7,986,273	8,457,175
Investments	10	-	10	10
Current assets	334,172	19,832	354,004	381,743
Current liabilities	(14,475)	-	(14,475)	(44,784)
	<u>8,305,980</u>	<u>19,832</u>	<u>8,325,812</u>	<u>8,794,144</u>

21. MOVEMENT IN FUNDS

GROUP	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	8,872,099	(473,663)	8,398,436
Restricted funds			
Restricted fund	16,332	3,500	19,832
TOTAL FUNDS	<u>8,888,431</u>	<u>(470,163)</u>	<u>8,418,268</u>

The Freedom Community Trust Limited
Notes to the Financial Statements - continued
for the year ended 31st March 2022

21. MOVEMENT IN FUNDS – continued

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	656,235	(1,129,898)	-	(473,663)
Restricted funds	3,500	-	-	3,500
Restricted fund				
TOTAL FUNDS	<u>659,735</u>	<u>(1,129,898)</u>	<u>-</u>	<u>(470,163)</u>

Comparatives for movement in funds

	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>

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	681,768	(1,119,193)	2,850	(434,575)
Restricted funds				
Restricted fund	<u>21,300</u>	<u>(35,536)</u>	<u>(2,850)</u>	<u>(17,086)</u>
TOTAL FUNDS	<u>703,068</u>	<u>(1,154,729)</u>	<u>-</u>	<u>(451,661)</u>

CHARITY

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	8,777,812	(471,832)	8,305,980
Restricted funds			
Restricted fund	16,332	3,500	19,832
TOTAL FUNDS	<u>8,794,144</u>	<u>(468,332)</u>	<u>8,325,812</u>

The Freedom Community Trust Limited

**Notes to the Financial Statements - continued
for the year ended 31st March 2022**

21. MOVEMENT IN FUNDS - continued

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	463,374	(935,206)	-	(471,832)
Restricted funds				
Restricted fund	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>3,500</u>
TOTAL FUNDS	<u><u>466,874</u></u>	<u><u>(935,206)</u></u>	<u><u>-</u></u>	<u><u>(468,332)</u></u>

Comparatives for movement in funds

	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><u>9,315,391</u></u>	<u><u>(521,247)</u></u>	<u><u>8,794,144</u></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	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><u>420,033</u></u>	<u><u>(941,280)</u></u>	<u><u>-</u></u>	<u><u>(521,247)</u></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.

The Freedom Community Trust Limited

**Notes to the Financial Statements - continued
for the year ended 31st March 2022**

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 £46,696 (2021: £45,966) to Child Dynamix Ltd, of which the Trustee J. Boyd is a director. At the balance sheet date £8,856 (2021: £13,019) was owed to the Charity by Child Dynamix Ltd.
- c) In the course of the year the Charity paid Environmental and Management Solutions Ltd £5,725 (2021: £32,634). In the course of the year the Charity charged rent, service charges, insurance & utilities totalling £14,900 (2021: £12,971). At the balance sheet date £2,397 (2021: £388) was owed to the Charity by Environmental and Management Solutions. The trustee Janet Boyd is an officer of this company.

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.

