

Company Registration Number 05945013

Registered Charity Number 1118148

FREECYCLE UK

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND ACCOUNTS

For the year ending 30 September 2022

FREecycle UK
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
For the year ended 30 September 2022

The Trustees, who are also Directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 September 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Freecycle UK
Charity registration number	1118148
Company registration number	05945013
Registered office	22 Ashton Road, Stockton-on-Tees, England, TS20 1QN

Trustees

For the purposes of the Companies Act 2006, the Board of Trustees is the Board of Directors of the charitable company and is referred to as "the Trustees" throughout this report.

The Trustees of Freecycle UK during the year and to the date of signing this report are as follows:

Deron Beal
Dona Campos
James Lane

Bankers	Co-operative Bank plc, 1 Balloon St, Manchester M60 4EP
Independent Examiner	Mr P O'Hara FCA, 4 Stonehurst Road West, Gosforth, Newcastle upon Tyne NE3 1PG

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Company is a Company Limited by Guarantee and was incorporated on 25 September 2006 and registered with the Charity Commission on 28 February 2007.

The charitable company is governed by its Memorandum and Articles of Association. The Directors of the company are also Trustees of the charity.

Eligibility for membership of the charity and membership of the Board of Trustees is governed by the Memorandum and Articles of Association. There are no restrictions in the governing document on the operation of the charity other than those imposed by general charity law.

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STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Governance

The charity currently has three Trustees.

The charity regularly reviews the Board's skillset in order to strengthen the governance, approaching individuals and advertising the opportunity when gaps are identified.

At Trustees' meetings, the Trustees agree on the broad strategy and areas of activity for the charity, including the consideration of development projects, reserves and risk management policies and performance.

Detailed written reports and an agenda are prepared and circulated in advance of Board meetings.

Appointment and Induction of Trustees

The appointment of Trustees is carried out at Trustee meetings and is by unanimous agreement of the existing Trustees. There is currently no restriction on the term of appointment.

The Memorandum and Articles of Association determine that the Board is made up of no less than three Trustee Directors.

Trustees are nominated by invitation given that they have the necessary skills and expertise to contribute to the charity's activities and to be able to discharge their obligations as Trustees. The skills and composition of the Board is reviewed on a regular basis, taking into consideration succession planning, representation and experience, empathy and knowledge of the charity.

On appointment, Trustees undergo an induction programme that includes briefings from the Chair of the Trustees.

Key Management Personnel

The Trustees consider the Board of Trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis.

All Trustees give their time freely and no Trustee remuneration was paid in the year. Details of any Trustee expenses and related party transactions are disclosed in the Notes to the Financial Statements.

Trustees are required to disclose all relevant interests and register them with the Chair and in accordance with the charity's Conflict of Interests policy withdraw from decisions where a conflict of interest arises.

Grant-making

The charity does not currently engage in grant-making activity.

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STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Policies on Reserves

The Trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission.

The Trustees aim to hold a level of Unrestricted Reserves which enables the charity to have sufficient financial resources to meet various liabilities which would crystallise if Freecycle UK Limited were unable to continue operating, together with an allowance to enable the charity to respond flexibly to issues or appropriate initiatives which might be identified outside of its annual budgeting process.

At present, the Trustees estimate that the Unrestricted Reserves required to cover all known liabilities amount to approximately £6,000. In addition, the Trustees consider that a contingency of a further £6,000 is prudent, resulting in an optimum level of Unrestricted Reserves in the region of £12,000.

Freecycle UK Limited currently holds Unrestricted Reserves of £12,145 at 30 September 2022, all of which are considered to be 'free' reserves (defined as non-designated Unrestricted Reserves, minus the value of Tangible Fixed Assets), which provides a small additional level of contingency.

The Trustees believe that Unrestricted Reserves should, wherever possible, be maintained at least at this level to ensure the charity can run efficiently and meet the needs of the beneficiaries.

This policy will be reviewed by the Trustees on an annual basis as part of the charity's budgeting processes.

OBJECTIVES AND ACTIVITIES

Charitable Purpose

Freecycle UK Limited aims to advance the education of the public about environmental matters related to the reuse and recycling of unwanted usable goods through the practice and promotion of sustainable waste management activities, in particular through the creation and maintenance of an online gifting network designed to reduce waste and landfill and empower persons to reuse with the object of promoting community involvement.

Aims & Objectives

Freecycle UK is a grassroots & entirely non-profit movement of people who are giving and getting stuff for free in their own towns, aiming to expand re-use and keep good stuff out of landfills. Membership is free.

The main objectives and activities for the year were to maintain and increase membership to a worldwide network of members, to maintain and promote the use of an online noticeboard, and to involve local communities via administration from volunteers.

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OBJECTIVES AND ACTIVITIES (CONTINUED)

Public Benefit

The Trustees understand and have discussed the implications of the provisions of the Charities Act 2006, which state that all charities must demonstrate that they are established for public benefit, and have had due regard to the public benefit guidance issued by the Charity Commission. The Trustees believe that the charity meets both of the key principles.

Principle 1 - There must be an identifiable benefit, or benefits

Principle 2 - Benefit must be to the public, or a section of the public

The charity's principal public benefits are reducing waste and landfill and empowering people to re-use with the object of promoting community involvement

The beneficiaries are the general public as a whole.

Risk Management

The Trustees regularly review the major governance, operational and financial risks which the charity faces as part of its annual business planning process and confirm that systems have been established to mitigate these risks.

The Trustees are satisfied that appropriate financial systems and controls and employment policies and practices are in place.

They consider the key risks facing the charity at this time to be the same traditional risks of any charitable organisation of which the most important is attracting sufficient funding to continue the operation of our online gifting and re-use community.

We assure this funding via bi-annual fundraising appeals via email as well as via our donation page found on freecycle.org as well as through other occasional grant opportunities and the like.

Our great national success and recognition is a testament to our ability to reach local communities to enable outreach and local gifting of items within each community and helps provide a foundation of support for our fundraising efforts. With many hundreds of volunteers' support in the moderation of local groups as well as in our leadership, we are also able to keep our funding needs to a modest level which makes our furtherance less challenging.

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For the year ended 30 September 2022

ACHIEVEMENTS AND PERFORMANCE

Summary of the main Achievements in the Year

This year we were able to roll out our brand-new subsite for our volunteer moderators to access and monitor local groups. This site is called our "ModTools". Further, we have begun the planning process for our new mobile app which we hope to have completed in the new fiscal year.

Financial Review

The financial out-turn for the year is an overall unrestricted surplus of £4,626 (2021: Unrestricted deficit of £6,471), leaving a balance on Unrestricted Funds of £12,145 at 30 September 2022.

The Trustees consider the financial performance of the charity to be satisfactory.

PLANS FOR THE FUTURE

Our biggest plan for the future is the design and rollout of our new mobile application which will make the gifting of used items even easier. With a bit of luck, we'll be rolling this out in the coming fiscal year.

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TRUSTEES' REPORT
For the year ended 30 September 2022

RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also the Directors of Freecycle UK Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

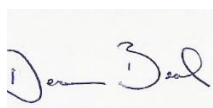
Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees 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.

Signed by order of the Trustees



Deron Beal
Chair of Trustees
Company Registration Number 05945013

21 October 2022

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF FREECYCLE UK FOR THE YEAR ENDED 30 SEPTEMBER 2022

I hereby report to the Trustees of Freecycle UK Limited (Charity Registration Number 1118148) on my examination of the accounts for the year ended 30 September 2022 set out on pages 9 to 14.

Responsibilities and basis of report

As the charity's Trustees (and also its directors for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

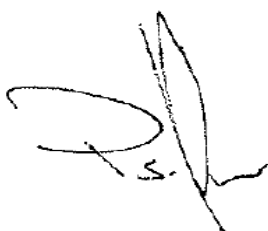
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods or principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Pete O'Hara, FCA, Chartered Accountant
Fellow of the Institute of Chartered Accountants in England & Wales

4 Stoneyhurst Road West, Gosforth, Newcastle upon Tyne NE3 1PG

21 October 2022

FREecycle UK
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Income					
Income from Investments		-	-	-	-
Income from Donations & Legacies	3	45,260	-	45,260	19,834
Income from Charitable Activities		-	-	-	-
Other Income		-	-	-	-
		45,260	-	45,260	19,834
Expenditure					
Expenditure on Raising Funds		-	-	-	-
Expenditure on Charitable Activities	4	40,634	-	40,634	26,305
		40,634	-	40,634	26,305
Net Income/(Expenditure)		4,626	-	4,626	(6,471)
Balance brought forward		7,519	-	7,519	13,990
Balance carried forward		£12,145	£-	£12,145	£7,519

The notes on pages 11 to 14 form part of the financial statements.

All of the activities of the company are classed as continuing.

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

FREecycle UK
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION/BALANCE SHEET
AS AT 30 SEPTEMBER 2022

	Notes	2022 £	2021 £
Fixed Assets			
Tangible Fixed Assets		-	-
Current Assets			
Debtors		-	-
Cash At Bank & In Hand		12,505	7,867
		<u>12,505</u>	<u>7,867</u>
Creditors – Amounts Falling Due Within 1 Year	13	(360)	(348)
Net Current Assets/(Liabilities)		<u>12,145</u>	<u>7,519</u>
Total Assets less Current Liabilities		12,145	7,519
Total Net Assets	14	£12,145	£7,519
Represented by:			
Unrestricted Reserves	15	12,145	7,519
Restricted Reserves	15	-	-
		<u>£12,145</u>	<u>£7,519</u>

The notes on pages 11 to 14 form part of the financial statements.

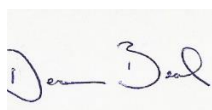
The Trustees are satisfied that for the year ended 30 September 2022 the charity was entitled to exemption under section 477(2) of the Companies Act 2006.

The Trustees also confirm that the Members have not required the charity to obtain an audit in accordance with section 476 of the Companies Act 2006

The Trustees acknowledge their responsibilities for:

- (i) ensuring that the charity keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity.

These financial statements were approved by the Board of Trustees on 21 October 2022 and signed on their behalf:



Deron Beal
Chair of Trustees
Company Registration Number 05945013

FREecycle UK
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006 and the Statement of Recommended Practice (Charities SORP FRS 102) "Accounting and Reporting by Charities" and the Charities Act 2011.

The financial statements have been prepared on the historical cost basis, modified to include certain financial instruments at fair value.

Advantage has been taken of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a statement of cashflows.

The financial statements are prepared in sterling, which is the functional currency of the charity.

Taxation Status

Freecycle UK Limited is a Charity registered under the 1960 Charities Act and is accorded exemption from liability to taxation on its income under S505 Income and Corporation Taxes Act 1988.

Going Concern

There are no material uncertainties about the charity's ability to continue.

Income

All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy.

The following specific policies are applied to particular categories of income:

- Donations and legacy income is received by way of donations, legacies, grants and gifts and is included in full in the Statement of Financial Activities when receivable. Where legacies have been notified to the charity but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material.
- Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Investment income is included when receivable.
- Income from charitable trading activity is accounted for when earned.
- Other income is accounted for when receivable.

FREecycle UK
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting Policies (Continued)

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

Financial Instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost where there is a material adjustment.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the purposes of the charity.

Designated funds are unrestricted funds earmarked by the trustees for specific purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no significant judgements or estimation uncertainty included within the financial statements.

FREecycle UK
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Legal Status

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

3. Income from Donations & Legacies

	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
Donations - General	45,260	-	45,260	19,834
	£45,260	£-	£45,260	£19,834

The 2021 total of £41 relates wholly to Unrestricted Funds.

4. Expenditure on Charitable Activities

	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
Support Costs				
ICT Development & Hosting	40,208	-	40,208	25,957
Governance Costs				
Accountancy & Book-keeping Fees	360	-	360	348
Subscriptions	35	-	35	-
Legal & Professional Fees	31	-	31	-
	£40,634	£-	£40,634	£26,305

The 2021 total of £26,305 relates solely to Unrestricted Funds.

5. Net Movement in Funds

	2022	2021
	£	£
The net movement in Funds is stated after charging/(crediting):		
Independent Examiner's Fees – Independent Examination	360	-

6. Staff Costs & Directors' Remuneration

The charity employed no staff in the year (2021: None)

No remuneration was paid to or waived by Trustees/Directors in the year (2021: £Nil) and no costs (2021: £Nil) were reimbursed to Trustees in respect of their attendance at meetings of the charity.

FREecycle UK
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

7. Creditors – Amounts Falling Due Within 1 Year

	2022	2021
	£	£
Accruals	360	348
	£360	£348

8. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
Fixed Assets	-	-	-	-
Debtors	-	-	-	-
Cash at Bank and In Hand	12,505	-	12,505	7,867
Creditors – Due Within 1 Year	(360)	-	(360)	(348)
	£12,145	£-	£12,145	£7,519

9. Analysis of Charitable Funds

	At 1 Oct 2021	Income in Year	Expenditure in Year	At 30 Sept 2022
	£	£	£	£
Unrestricted Funds	7,519	45,260	(40,634)	12,145
Restricted Funds	-	-	-	-
Total Funds	£7,519	£45,260	£(40,634)	£12,145

10. Related Party Transactions

There were no transactions in the year with related parties, such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (Effective April 2008) (2021: Nil).

11. Financial Commitments

No material financial commitments have been made in respect of future financial periods.

12. Company Limited by Guarantee

The company was under the control of its Trustees in the current and previous financial years.

The charity is incorporated under the Companies Act 1985 and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding £1 as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter.

There are currently 3 members of the company (2021: 3).