

Project Freedom Ltd

Charity number 1151778

A Company limited by guarantee number 8413978

Annual Report and Financial Statements **for the year ended 31 December 2020**

The logo for Greater Merseyside Community Accountancy Service (gmcas) features the lowercase letters 'gmcas' in a white, sans-serif font, centered within a solid black rectangular box.

Greater Merseyside Community
Accountancy Service

Project Freedom Ltd

Annual Report and Financial Statements for the year ended 31 December 2020

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Prepared by the Greater Merseyside Community Accountancy Service

Project Freedom Ltd

Trustees' report

Review of progress and achievements

In common with businesses and charities across the country COVID 19 set a huge limitation on all the charities' activities in 2020.

The shops were only able to open intermittently throughout the year.

Some mentoring was able to continue through phone calls but was also very limited.

From time to time we were able to continue with the development of the flat above the charity shop on Muirhead Avenue in Liverpool which we purchased in 2019.

Our Trustee and Operations Manager, Richard Nash, who had been with the charity for many years took retirement in 2020. We owe him a debt of gratitude for all he achieved through his energy, wisdom and experience.

We would also like to thank our dedicated team of volunteers and staff without whom we would not be able to operate. Thank you all!

We welcomed a new staff member, Abi Smith, who is taking up the reins in all aspects of the charities' activities.

We were grateful to the Government for the grants issued to all business rate-payers during the COVID lock-down.

We hope and pray that 2021 will be a more normal year.

Project Freedom Ltd

Reserves Policy

The trustees are currently reviewing the adequacy of the charity's reserves. The trustees are confident that reserves are sufficient to enable the charity to continue meeting its stated aims and objectives. The aim of the charity is to hold the minimum equivalent of three months running costs. For the financial year ending 31 December 2020 this would equate to £15,094.

Risk Management

The trustees have assessed the major risks to which the charity is or may be exposed, and in particular those related to the operations and financing of the charity. It is satisfied that by reviewing its policies, procedures and systems regularly it is mitigating its exposure to major risks.

Statement of Directors' responsibilities

Company law requires the directors to prepare financial accounts for each 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 charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;

- observe the methods and principles in the Charities SORP

- make judgements 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 a going concern basis unless it is inappropriate to presume that the charity will continue in business;

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on

and signed on behalf of the directors by:

David Calland
Trustee

Reference and Administrative Details

Project Freedom Ltd

Charity number 1151778

A Company limited by guarantee number 8413978

The trustees, who are the directors of the company for the purposes of company law, are pleased to present their report and financial statements together with the independent examiner's report for the year ended 31 December 2020.

Name	Position	Dates
Liz Perera	Secretary	
David Calland	Chair	
Shelley Huang	Treasurer	
Richard Nash		

Method of appointment

Members of the board of trustees, who are the directors for the purpose of company law and trustees for the purpose of charity law who served during the year are set out above. The trustees meet monthly and receive reports from management to manage their charity's affairs.

Registered address

15-17 Bridge Street
Earlestown
Newton-Le-Willows
WA12 9BE

Bankers

Barclays Bank PLC 48B - 50 Lord Street Liverpool L2 1TD	Lloyds Bank PLC PO Box 1000 Andover
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Governing document

The organisation is a charitable company limited by guarantee, incorporated 21 February 2013 company number 08413978. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

Registered as a Charity on 25th April 2013 number 1151778

Objects of the organisation

To advance the christian faith for the benefit of the public. The relief of the physical and mental sickness of persons in need, primarily by reason of addiction to substances.

To assist in advancing education of persons by developing their mental, physical and moral capabilities.

To promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society.

For the purpose of this clause "socially excluded" primarily means being excluded from society, or parts of society, as a result of unemployment, financial hardship, youth, substance abuse or dependancy, poor educational or skills attainment, or as a result of being a member of a socially or economically deprived community.

Reference and Administrative Details

Project Freedom Ltd

Charity number 1151778

A Company limited by guarantee number 8413978

Independent Examiner

Jane Williams

Greater Merseyside Community Accountancy Service

Beacon Building

College Street

St Helens

WA10 1TF

Approval

This report, which has been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies, was approved by the trustees on _____ and signed on their behalf by:

Independent Examiner's report to the trustees of Project Freedom Ltd

I report on the accounts of the charity for the year ended 31 December 2020 set out on pages 7 to 17

Respective responsibilities of the Trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- ☐ examine the accounts under section 145 of the 2011 Act;
- ☐ to follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- ☐ state whether particular matters have come to my attention.

Basis of Independent examiner's statement

My examination was carried out in accordance with the general Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1) which gives me reasonable cause to believe that in any material respect the requirements:

- ☐ to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- ☐ to prepare accounts which accord with the accounting records and to comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Jane Williams

MAAT

Greater Merseyside Community Accountancy Service

Beacon Building

College Street

St Helens

WA10 1TF

Project Freedom Ltd
Statement of Financial Activities
(Including Income & Expenditure Account)
for the year ended 31 December 2020

	Notes	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £	2019 Total funds £
Income from:					
Income from donations	(4)	51,742	-	51,742	360
Income from charitable activities	(5)	41,253	-	41,253	53,862
Other incoming resources	(6)	350	-	350	2,375
Bank interest		-	-	-	-
Total incoming resources		93,345	-	93,345	56,597
Resources expended					
Charitable activities	(7)	60,546	-	60,546	47,074
Net incoming / (outgoing) resources		32,799	-	32,799	9,523
Transfers between funds		-	-	-	-
Net movement in funds		32,799	-	32,799	9,523
Reconciliation of funds					
Total funds as at 1 January 2020		19,770	-	19,770	10,247
Total funds as at 31 December 2020	(7a)	52,569	-	52,569	19,770

The above statement includes all gains and losses recognised during the year.
All activities are regarded as continuing.
Comparative figures for the previous year by fund type are shown in Note 15.
The Notes on pages 10 to 17 form an integral part of these accounts.

Project Freedom Ltd

Charity number 1151778

A Company limited by guarantee number 8413978

Balance sheet

as at 31 December 2020

		2020	2020	2020	2019
		Unrestricted	Restricted	Total	Total
		£	£	£	£
Fixed Assets					
Tangible Assets	(10)	-	-	-	-
Total fixed assets		-	-	-	-
Current Assets					
Debtors and prepayments	(11)	-	-	-	-
Cash at bank and in hand	(12)	52,569	-	52,569	20,445
Total current assets		52,569	-	52,569	20,445
Current liabilities:					
amounts falling due within one year					
Creditors (due within one year)	(13)	-	-	-	675
Total current liabilities		-	-	-	675
Net Assets		52,569	-	52,569	19,770
Funds of the charity					
Restricted Funds		-	-	-	-
Unrestricted funds		52,569	-	52,569	19,770
Total Funds	(15)	52,569	-	52,569	19,770

The trustees (who are also the directors of the company for the purposes of company law) confirm that for the year ended 31 December 2020

the company was entitled to exemption from audit under section 477 of the Companies Act 2006, and

the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act

the trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The notes on pages 10 to 17 form an integral part of these accounts.

These accounts, which have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies, were approved by the trustees on and signed on their behalf by:

Elizabeth Perera
Director / Trustee

Project Freedom Ltd
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 December 2020

	2020	2019
	Total	Total
	£	£
Cash flows from operating activities:		
Net income/(expenditure) per SOFA	32,799	9,523
Capital	-	9,736
Investment income	-	-
(Increase)/decrease in debtors (5)	-	-
Increase/(decrease) in creditors	(675)	675
	<u>32,124</u>	<u>19,934</u>
Cash flows from investing activities		
Capital	-	(9,736)
(6)	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash:	32,124	10,198
Total cash as at 1 January 2020	<u>20,445</u>	<u>10,247</u>
Total cash as at 31 December 2020	<u>52,569</u>	<u>20,445</u>

The notes on pages 10 to 17 form an integral part of these accounts.

Project Freedom Ltd

Notes to the accounts

for the year ended 31 December 2020

1 Basis of preparation

These accounts (financial statements) have been prepared under the historical cost convention,

- 1.1 with items recognised at cost or transaction value, unless otherwise stated in the relevant note(s), in accordance with:
 - (a) The Charities Act 2011
 - (b) The Companies Act 2006
 - (c) The Financial Reporting Standard applicable in the UK and the Republic of Ireland: FRS 102
 - (d) Accounting & Reporting by Charities: Statement of Recommended Practice (Charities SORP FRS 102) (effective January 2015)
- 1.2 The charity meets the definition of a public benefit entity as defined by FRS 102
- 1.3 The trustees consider that there are not material uncertainties about the charity's ability to continue as a going concern.

2 Accounting Policies

2.1 Fund accounting

- (a) Unrestricted funds are those that can be expended at the discretion of the trustees in the furtherance of the objects of the charity.
- (b) Restricted funds are those that may only be used for specific purposes. Restrictions arise when specified by the donor, or when funds are raised for specific purposes.
- (c) The purposes of the funds are shown in Note 7a.

2.2 Income

- (a) Income is recognised and included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the income; receipt is probable; and the monetary value can be measured with sufficient reliability.
- (b) Where income has related expenditure (e.g. shop), the income and related expenditure are reported gross in the SOFA.
- (c) Bank interest is recognised when credited to the account.
- (d) Gift Aid, where appropriate, is recognised in the same accounting period as the donation to which it relates.
- (e) Income, which is subject to conditions that the charity has yet to fulfil, or which is specifically for use in a future accounting period, is treated as deferred income.

2.3 Expenditure and liabilities

- (a) Expenditure is recognised on the accruals basis.
- (b) The charity is not registered for VAT, thus all costs are shown inclusive of VAT charged.
- (c) Liabilities are recognised as soon as there is a legal or constructive obligation to pay out resources.
- (d) Governance costs include the costs of preparation and examination of the statutory accounts, the cost of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Project Freedom Ltd
Notes to the accounts
for the year ended 31 December 2020

2.4 Tangible Fixed Assets

(a) Tangible fixed assets are capitalised if they can be used for more than one year and cost at least £250. They are valued at cost or, if gifted, at their value on receipt.

Rates of depreciation

Motor Vehicles & Skate Park: 20% straight line basis to nil

Computers & Equipment: 20% straight line basis to nil

2.5 Debtors

(a) Debtors are recognised at the settlement amount due.

(b) Prepayments are valued at the amount prepaid.

2.6 Cash

(a) Cash comprises bank deposits repayable on demand and any short-term highly liquid investments with a maturity date of three months or less from the date of acquisition or opening of the deposit or similar account.

2.7 Creditors

(a) Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount, usually the invoice amount.

(b) Accrued charges are normally valued at their settlement amount.

2.8 Taxation

The charity is not liable to income tax or capital gains tax on its charitable activities.

3 Transactions with trustees and related parties

No trustees received any remuneration or expenses during the accounting period.

Owing to the nature of the charity's activities and the composition of the board of trustees (being drawn from local statutory and voluntary organisation), it is inevitable that transactions will take place with organisations in which a trustee may have an interest. All transactions in which a trustee may have an interest are conducted at arm's length and in accordance with the charity's financial regulations and expenditure procedures. No transactions were identified which should be disclosed under FRS 102.

Project Freedom Ltd

Notes to the accounts

for the year ended 31 December 2020

4 Income from donations

	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Grants & donations	2,880	-	2,880	360
St Helens MBC: COVID Support Grants	37,528	-	37,528	-
Liverpool CC: COVID Support Grants	11,334	-	11,334	-
	<u>51,742</u>	<u>-</u>	<u>51,742</u>	<u>360</u>

5 Income from charitable activities

	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £	2019 Total funds £
Shop Income	41,253	-	41,253	53,512
Skate Park Events	-	-	-	350
	<u>41,253</u>	<u>-</u>	<u>41,253</u>	<u>53,862</u>

6 Other Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Miscellaneous income	350	-	350	2,375
	<u>350</u>	<u>-</u>	<u>350</u>	<u>2,375</u>

Project Freedom Ltd
Notes to the accounts
for the year ended 31 December 2020

7 **Expenditure of charitable activities**

	2020 Unrestricted funds	2020 Restricted funds	2020 Total funds	2019 Total funds
	£	£	£	£
<i>Direct Costs</i>				
Transport & driver	14,363	-	14,363	-
Consultancy Fees	3,000	-	3,000	-
Shop costs	1,751	-	1,751	-
Premises	11,322	-	11,322	12,612
Admin costs	40	-	40	285
Volunteer expenses	2,225	-	2,225	2,321
Professional fees	260	-	260	250
Rental Loan / fees	-	-	-	400
Phone, Internet and postage	1,304	-	1,304	1,191
Insurance	3,875	-	3,875	2,282
Van Running Cost	2,280	-	2,280	15,834
Depreciation	-	-	-	9,736
Repairs & Maintenance	18,688	-	18,688	1,475
Governance Costs	(8) 1,438	-	1,438	688
Total resources expended	60,546	-	60,546	47,074

Project Freedom Ltd

Notes to the accounts

for the year ended 31 December 2020

8 Governance Costs	2020	2019
	£	£
Independent Examiners' fee	675	675
Annual Return Fee	13	13
Administration & Fees	750	-
	<u>1,438</u>	<u>688</u>
9 Staff costs and numbers	2020	2019
	£	£
Gross salaries	-	-
Social security costs	-	-
	<u>-</u>	<u>-</u>

There were no employees during the period under review.

Project Freedom Ltd

Notes to the accounts

for the year ended 31 December 2020

10 Tangible assets

	Buildings	Motor Vehicles & Skate Park	Computers & Equipment	Total
<u>Cost</u>	£	£	£	£
At 1 January 2020	20,653	67,580	1,236	89,469
Additions	-	-	-	-
At 31 December 2020	20,653	67,580	1,236	89,469
<u>Depreciation</u>				
At 1 January 2020	20,653	67,580	1,236	89,469
Charge for year	-	-	-	-
At 31 December 2020	20,653	67,580	1,236	89,469
<u>Net book value</u>				
At 31 December 2020	-	-	-	-
At 31 December 2019	-	-	-	-

11 Debtors and prepayments

	2020	2019
	£	£
Debtors	-	-
Prepayments	-	-
	-	-

12 Cash at bank and in hand

	2020	2019
	£	£
Current Account 1	8,667	1,107
Current Account 2	44,046	19,298
Cash in hand	(144)	40
	52,569	20,445

13 Creditors and accruals

	2020	2019
	£	£
Creditors	-	675
Accruals	-	-
	-	675

Project Freedom Ltd
Notes to the accounts
for the year ended 31 December 2020

15 Comparative income and expenditure by fund type

	Unrestricted Funds		Restricted Funds	
	2020	2019	2020	2019
	£	£	£	£
Income from:				
Income from donations	51,742	360	-	-
Income from charitable activities	41,253	53,862	-	-
Other incoming resources	350	2,375	-	-
Bank interest	-	-	-	-
Total incoming resources	93,345	56,597	-	-
Expenditure on:				
Charitable activities	60,546	47,074	-	-
Net incoming / (outgoing) resources	32,799	9,523	-	-
Transfers between funds	-	-	-	-
Net movement in funds	32,799	9,523	-	-
Reconciliation of funds				
Total funds as at 1 January 2020	19,770	10,247	-	-
Total funds as at 31 December 2020	52,569	19,770	-	-