

Company registration number: 07024301

Charity registration number: 1154113

# M3 Project Limited

(A company limited by guarantee)

Annual Report and Financial Statements  
for the Year Ended 30 September 2021

## **M3 Project Limited**

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## **M3 Project Limited**

### **Reference and Administrative Details**

<b>Trustee</b>	G Helm
<b>Principal Office</b>	Suite 2 St John's Court Bacup Road Rossendale Lancashire BB4 7PA
<b>Company Registration Number</b>	07024301
<b>Charity Registration Number</b>	1154113
<b>Independent Examiner</b>	MacMahon Leggate Ltd Institute of Chartered Accountants in England and Wales 1st Floor Kingsway House Kingsway Burnley Lancashire BB11 1BJ

## **M3 Project Limited**

### **Trustee's Report**

The member, a director for the purposes of company law, presents the annual report together with the financial statements of the charitable company for the year ended 30 September 2021.

#### **Governing Document**

The governing document under which the charity operates is its Memorandum and Articles of Association dated 20 September 2009, amended 6 March 2021.

The charity is a company limited by guarantee, as defined by the Companies Act 2006.

The trustees are treated as directors for Companies Act purposes.

#### **Objectives and activities**

##### ***Objectives, strategies and activities***

To provide relief to young people between the ages of 16-25 years old in East Lancashire and surrounding areas, by the provision of social housing and accommodation, including emergency supported lodgings, supported lodgings and move-on accommodation.

M3 Project supports young singles and parents who find themselves living in insecure or unsafe accommodation, moving from one place to another and 'sofa surfing'. We believe that every young person should have a safe place to call home, a place where they can thrive, and we have worked towards this aim since 2003 when a gap in service provision was identified and Supported Lodgings were set up.

Over the past 19 years the project has developed services to reflect that, and now have three distinct service areas to support young people who face homelessness.

- Supported Lodgings (ages 16-21): A service where young people have their own bedroom in someone's home and get day-to-day support from the householder along with tailored support from a M3 Support Worker. Working through a support plan, young people eventually move on into their own accommodation with the skills and knowledge to sustain a tenancy.
- Teenage Family Service (ages 16-21): A service for young mums and mums to be, who move into a Shorthold tenancy and receive support around parenting and tenancy management to ensure a positive move-on
- The Listening Project (ages 15-18): A unique young person led service for 16 and 17-year olds who are experiencing difficulties in their relationships at home and may be at risk of homelessness. Using a trained peer mentor, it gives a young person space to think through options and families an opportunity to talk together and find solutions for a better way forward and prevent unplanned moves and potential sofa surfing.

As a small team of 3 full-time and 4 part-time employees, the project works with young people across East Lancashire encouraging them to develop new skills, re-engage with family and friends, access education and training or get into work. Tailored support packages enable young people to eventually move on into their own independent accommodation with the skills and knowledge to sustain a tenancy; their own safe place to call home.

With limited move-on accommodation, M3 are also working in partnership with Valley Heritage in Rossendale and have secured a small number of move-on accommodation units in their heritage building conversion project in Bacup. This will greatly assist where a young person is ready to move but struggling to find a tenancy and will be an exciting new service development for the organisation.

The organisation continues to campaign at local and national level around the issues of homelessness and the impact it has on young people.

## **M3 Project Limited**

### **Trustee's Report**

The financial year took place against the continuing backdrop of the global Covid-19 pandemic. The project continued to adopt a blend of home-based working practices whilst maintaining an office presence in order to continue support for young people in placement and volunteers within local and national Covid guidelines and restrictions.

The organisation is working largely as it was before the pandemic, and in fact we have used this period to strengthen some of our operations, in terms of governance and with business planning for the future. We have adapted and embraced working from home where we have had to, or where actually it allows for greater flexibility in providing our services. Work with a consultant has reinvigorated the governing body for the organisation and resulted in clear strategic plans for the next 3 years. We have developed our fundraising activities further, despite challenges around face to face activities and successfully hit our fundraising targets through greater individual donor and fundraiser support rather than the event-based activities we had previously relied on. Despite the challenges we provided accommodation and in depth support for 22 young people during this period and worked with a further 26 young people on the Listening Project, providing one to one support around mental health, isolation, relationships and homeless prevention

Building on the work overcoming the challenges Covid-19 presented, during the financial year the project has:

- o Provided 5475 nights of safe accommodation & support for young people - 10 parents, 13 children & 12 singles.
- o Mentored and supported 26 YP with mental health issues, isolation, wellbeing issues or who were at risk of homelessness.

Support and advice was delivered around the following issues:

- Benefits or money
- Education or training
- General issues
- Housing options
- Independent Living Skills
- Mental Health
- Physical health
- Placement issues
- Relationships at home incl domestic abuse
- Self harm
- Work

Regulatory change for the supported accommodation sector is mooted, with government plans to introduce Ofsted inspections in settings working with 16 and 17 yr olds in 2023. This may result in a dramatic change in the monitoring, inspection and standards required from supported accommodation providers, some of which may be beneficial but much of which may introduce significant burdens around quality assurance. As contract holders for services with a local authority we are already subject to quality assurance and monitoring of our services, but at a local level rather than through a national body. A move to Ofsted regulation and inspection would increase costs and administrative work considerably for a small organisation like ours.

## **M3 Project Limited**

### **Trustee's Report**

#### ***Fundraising disclosures***

The project had a successful year of fundraising, despite the disruption caused by Covid, continuing to organise and support fundraising events in the local community this year.

Our regular "Big Soup Social" took place in Spring 2021 and was well supported by many individuals and community groups. Individual donations and community group donations continued grow from the previous year

Core service funding from Lancashire County Council, including contracts for the supported lodgings has continued through this accounting period with extensions from LCC as necessary. Re-contracting of these core services has been subject to delay and is likely to be delayed further till 2023 or beyond..

Referral pathways established with Lancashire County Council allow direct referrals from Children's Social Care for both homeless 16/17 year olds and care-experienced young people aged 16-21. Other referrals come from local organisations working with young people, as well as through self-referrals.

Funding from Lloyds Foundation has continued to cover core hours for management, administration, development and fundraising. This funding has delivered additional outside consultancy and support around developing our Trustee group, strategic planning and developing future housing and accommodation partnerships to provide accommodation within the social housing sector.

#### ***Public benefit***

The trustee confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **Structure, governance and management**

##### **Financial instruments**

#### ***Objectives and policies***

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustee, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

#### ***Cash flow risk***

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

## **M3 Project Limited**

### **Trustee's Report**

#### ***Credit risk***

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### ***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

#### ***Financial Review***

Current free reserves held by M3 Project are sufficient to cover 6 months operating costs, in addition to protected reserves available for redundancy costs for all staff. M3 Project is continuing to make good progress toward a mixed and sustainable funding scenario based on grant funding, charitable giving and contracts for service delivery. Grant application activity is planned and monitored on a quarterly basis.

Budget reviews take place every month and the Treasurer has access to financial information gathered by the Project through a cloud based accounting system.

The annual report was approved by the member of the charity on 23 May 2022 and signed on its behalf by:

.....  
G Helm  
Trustee 

## M3 Project Limited

### Statement of Trustee's Responsibilities

The trustee (who is also the director of M3 Project Limited for the purposes of company law) is responsible for preparing the trustee's report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

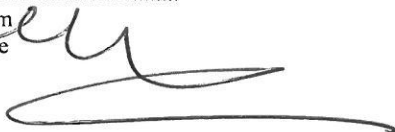
Company law requires the member to prepare financial statements for each financial year. Under company law the member must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the member is 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The member is responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Approved by the member of the charity on 23 May 2022 and signed on its behalf by:

.....  
C Helm  
Trustee





## M3 Project Limited

### Independent Examiner's Report to the trustee of M3 Project Limited

I report on the accounts of the charity for the year ended 30 September 2021 which are set out on pages 8 to 23 .

#### Respective responsibilities of trustee and examiner

The trustee (who is also the director of the company for the purposes of company law) is responsible for the preparation of the accounts. The trustee considers 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. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of MacMahon Leggate Ltd The Institute of Chartered Accountants in England and Wales.

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
- to state whether particular matters have come to my attention.

#### Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. 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 member 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, 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.

  
Kay Flanagan FCA CTA  
Institute of Chartered Accountants in England and Wales  
MacMahon Leggate Ltd  
1st Floor  
Kingsway House  
Kingsway  
Burnley  
Lancashire  
BB11 1BJ

23 May 2022

# M3 Project Limited

## Statement of Financial Activities for the Year Ended 30 September 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
<b>Income and Endowments from:</b>					
Donations and legacies	3	16,991	32,000	48,991	16,798
Charitable activities	4	240,549	-	240,549	248,712
Investment income	5	9	-	9	42
Total Income		257,549	32,000	289,549	265,552
<b>Expenditure on:</b>					
Raising funds	6	(935)	-	(935)	(2,067)
Charitable activities	7	(228,194)	(37,395)	(265,589)	(267,100)
Other expenditure	8	(26,165)	-	(26,165)	(30,475)
Total Expenditure		(255,294)	(37,395)	(292,689)	(299,642)
Net income/(expenditure)		2,255	(5,395)	(3,140)	(34,090)
Transfers between funds		(300)	300	-	-
Net movement in funds		1,955	(5,095)	(3,140)	(34,090)
<b>Reconciliation of funds</b>					
Total funds brought forward		114,195	5,095	119,290	153,381
Total funds carried forward	17	116,150	-	116,150	119,291

All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2020 is shown in note 17.

The notes on pages 11 to 23 form an integral part of these financial statements.  
Page 8

# M3 Project Limited

(Registration number: 07024301)  
Balance Sheet as at 30 September 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	13	2,201	2,935
<b>Current assets</b>			
Debtors	14	11,937	8,986
Cash at bank and in hand	15	<u>107,966</u>	<u>113,368</u>
		119,903	122,354
<b>Creditors: Amounts falling due within one year</b>	16	<u>(5,954)</u>	<u>(5,999)</u>
<b>Net current assets</b>		<u>113,949</u>	<u>116,355</u>
<b>Net assets</b>		<u>116,150</u>	<u>119,290</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		-	5,095
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>116,150</u>	<u>114,195</u>
<b>Total funds</b>	17	<u>116,150</u>	<u>119,290</u>

The notes on pages 11 to 23 form an integral part of these financial statements.

**M3 Project Limited**

**(Registration number: 07024301)**  
**Balance Sheet as at 30 September 2021**

For the financial year ending 30 September 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 8 to 23 were approved by the , and authorised for issue on 23 May 2022 and signed on his behalf by:

.....  
G Helm  
Trustee



The notes on pages 11 to 23 form an integral part of these financial statements.

## **M3 Project Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2021**

#### **1 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **Basis of preparation**

M3 Project Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Income and endowments**

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

##### **Donations and legacies**

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

##### **Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

## **M3 Project Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2021**

#### ***Gifts in kind***

Gifts in kind are recognised in different ways dependent on how they are used by the charity:

- (i) Those donated for resale produce income when they are sold. They are valued at the amount actually realised.
- (ii) Those donated for onward transmission to beneficiaries are included in the Statement of Financial Activities as incoming resources and resources expended when they are distributed. They are valued at the amount the charity would have had to pay to acquire them.
- (iii) Those donated for use by the charity itself are included when receivable. They are valued at the amount the charity would have had to pay to acquire them.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### ***Charitable activities***

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.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustee's meetings and reimbursed expenses.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Furniture and Equipment	25% Reducing balance

## **M3 Project Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2021**

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

## **M3 Project Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2021**

#### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.



## **M3 Project Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2021**

#### ***Debt instruments***

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

#### ***Investments***

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

## M3 Project Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### *Derivative financial instruments*

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

#### *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

### **3 Income from donations and legacies**

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
Donations and legacies;			
Gift aid reclaimed	2,178	-	2,178
Grants, including capital grants;			
Grants from other companies	-	32,000	32,000
Donations	14,813	-	14,813
<b>Total for 2021</b>	<u>16,991</u>	<u>32,000</u>	<u>48,991</u>
<b>Total for 2020</b>	<u>16,798</u>	<u>-</u>	<u>16,798</u>

## M3 Project Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### 4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total funds £
Supported lodgings	143,040	-	143,040
Housing benefit	93,857	-	93,857
Rental income	3,652	-	3,652
<b>Total for 2021</b>	<b>240,549</b>	<b>-</b>	<b>240,549</b>
<b>Total for 2020</b>	<b>232,430</b>	<b>16,282</b>	<b>248,712</b>

#### 5 Investment income

	Unrestricted funds General £	Total funds £
Other investment income	9	9
<b>Total for 2021</b>	<b>9</b>	<b>9</b>
<b>Total for 2020</b>	<b>42</b>	<b>42</b>

#### 6 Expenditure on raising funds

##### a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total funds £
Marketing and publicity		266	266
<b>Total for 2021</b>		<b>266</b>	<b>266</b>
<b>Total for 2020</b>		<b>1,163</b>	<b>1,163</b>

## M3 Project Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### b) Other costs of generating donations and legacies

	Note	Unrestricted funds General £	Total funds £
Other direct costs		669	669
<b>Total for 2021</b>		<u>669</u>	<u>669</u>
<b>Total for 2020</b>		<u>904</u>	<u>904</u>
			Total costs £

#### 7 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
Supported lodgings		92,425	-	92,425
Depreciation, amortisation and other similar costs		734	-	734
Staff costs		132,095	37,395	169,490
Governance costs	9	<u>2,940</u>	<u>-</u>	<u>2,940</u>
<b>Total for 2021</b>		<u>228,194</u>	<u>37,395</u>	<u>265,589</u>
<b>Total for 2020</b>		<u>213,813</u>	<u>53,288</u>	<u>267,101</u>

In addition to the expenditure analysed above, there are also governance costs of £2,940 (2020 - £3,344) which relate directly to charitable activities. See note 9 for further details.

#### 8 Other expenditure

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
Other resources expended		26,165	-	26,165
<b>Total for 2021</b>		<u>26,165</u>	<u>-</u>	<u>26,165</u>
<b>Total for 2020</b>		<u>30,367</u>	<u>108</u>	<u>30,475</u>

## M3 Project Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### 9 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total funds £
Accounting fees		
Other fees paid to accountants	2,880	2,880
Legal fees	60	60
<b>Total for 2021</b>	<u>2,940</u>	<u>2,940</u>
<b>Total for 2020</b>	<u>3,344</u>	<u>3,344</u>

#### 10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	<u>734</u>	<u>978</u>

## M3 Project Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### 11 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
<b>Staff costs during the year were:</b>		
Wages and salaries	154,014	155,923
Social security costs	7,864	11,906
Pension costs	4,406	4,319
Other staff costs	3,206	3,014
	<u>169,490</u>	<u>175,162</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
Average number of employees	<u>6</u>	<u>6</u>

No employee received emoluments of more than £60,000 during the year.

#### 12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

## M3 Project Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### 13 Tangible fixed assets

	Furniture and equipment £	Total £
<b>Cost</b>		
At 1 October 2020	16,720	16,720
At 30 September 2021	16,720	16,720
<b>Depreciation</b>		
At 1 October 2020	13,785	13,785
Charge for the year	734	734
At 30 September 2021	14,519	14,519
<b>Net book value</b>		
At 30 September 2021	2,201	2,201
At 30 September 2020	2,935	2,935

#### 14 Debtors

	2021 £	2020 £
Trade debtors	10,146	7,798
Prepayments	1,791	1,188
	11,937	8,986

#### 15 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	169	266
Cash at bank	107,797	113,102
	107,966	113,368

## M3 Project Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### 16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	54
Other taxation and social security	2,736	2,801
Other creditors	1,059	1,009
Accruals	2,159	2,135
	<u>5,954</u>	<u>5,999</u>

#### 17 Funds

	Balance at 1 October 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 September 2021 £
<b>Unrestricted funds</b>					
General	114,195	257,549	(255,294)	(300)	116,150
<b>Restricted funds</b>	<u>5,095</u>	<u>32,000</u>	<u>(37,395)</u>	<u>300</u>	<u>-</u>
<b>Total funds</b>	<u>119,290</u>	<u>289,549</u>	<u>(292,689)</u>	<u>-</u>	<u>116,150</u>

	Balance at 1 October 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 September 2020 £
<b>Unrestricted funds</b>					
General	111,273	249,270	(246,247)	(101)	114,195
<b>Restricted funds</b>	<u>42,108</u>	<u>16,282</u>	<u>(53,396)</u>	<u>101</u>	<u>5,095</u>
<b>Total funds</b>	<u>153,381</u>	<u>265,552</u>	<u>(299,643)</u>	<u>-</u>	<u>119,290</u>

#### Unrestricted funds

#### Restricted funds

At the 30th September 2021 the individual balances comprising the Restricted Fund balances were Nil.



## M3 Project Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### 18 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 30 September 2021 £
Tangible fixed assets	2,201	2,201
Current assets	119,903	119,903
Current liabilities	(5,835)	(5,835)
Total net assets	<u>116,269</u>	<u>116,269</u>