

**Freecycle UK**  
**Company Limited by Guarantee**  
**Unaudited Financial Statements**  
**30 September 2019**



**THOMPSON & CO**  
Chartered accountants  
Sterling Offices  
30A Mill Street  
Bedford  
Beds MK40 3HD

**Freecycle UK**  
**Company Limited by Guarantee**  
**Financial Statements**  
**Year ended 30 September 2019**

	<b>Page</b>
Trustees' annual report (incorporating the director's report)	<b>1</b>
Chartered accountant's report to the board of trustees on the preparation of the unaudited statutory financial statements	<b>3</b>
Statement of financial activities (including income and expenditure account)	<b>4</b>
Statement of financial position	<b>5</b>
Statement of cash flows	<b>6</b>
Notes to the financial statements	<b>7</b>
<b>The following pages do not form part of the financial statements</b>	
Detailed statement of financial activities	<b>13</b>
Notes to the detailed statement of financial activities	<b>144</b>

# **Freecycle UK**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

**Year ended 30 September 2019**

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 September 2019.

#### **Reference and administrative details**

<b>Registered charity name</b>	Freecycle UK
<b>Charity registration number</b>	1118148
<b>Company registration number</b>	05945013
<b>Principal office and registered office</b>	62 Occupation Street Dudley West Midlands DY1 2RF

#### **The trustees**

J Lane  
D Beal  
D Campos

**Company secretary** D Beal

**Accountants** Thompson & Co  
Chartered accountants  
Sterling Offices  
30A Mill Street  
Bedford  
Beds MK40 3HD

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

The organisation is a charitable company limited by guarantee, incorporated on 25 September 2006 and registered as a charity on 28 February 2007. The company was established under a Memorandum of Association which established the objects and powers of the company and is governed under its Articles of Association.

The directors of the company are also charity trustees for the purposes of charity law and are known as the Trustees. Under the requirements of the Memorandum and Articles of Association the Trustees are elected or re-elected to serve until the Annual General Meeting following election or re-election.

#### **Objectives and activities**

The principal activity of the company during the year was to advance the education of the public in respect of environmental matters in respect of the reuse and recycling of unwanted reusable goods, through promotion of waste management activities, in particular through the creation and maintenance of an online gift network designed to reduce landfill and empower persons to reuse items with the object of promoting community involvement.

# **Freecycle UK**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 30 September 2019**

#### **Objectives and activities *(continued)***

The main objectives and activities for the year was 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.

#### **Strategic report**

The following sections for achievements and performance and financial review form the strategic report of the charity.

#### **Achievements and performance**

The principal funding sources and their purposes are as follows:

Various grants were provided by councils in 2010 to finance ongoing website costs, purchase small items of equipment, and to provide promotional materials to aid awareness of the charity and its objectives. No grant income has been received in the current or previous financial year, but remaining reserves will be used to continue promotion, meet governance costs and provide general financial support and assistance to volunteers.

Donations of £20,050 (2018: £702) were received during the year.

#### **Financial review**

Net incoming/(outgoing) resources for the year are £12,203 (2018- £330). The general fund shows a surplus at the year end of £12,947 (2018 £744) There are sufficient reserves available to the charity to meet governance costs for next year.

#### **Plans for future periods**

To continue to increase membership to a worldwide network of members, to maintain and promote the use of an online noticeboard, to further involve local communities via administration from volunteers, to provide consultancy services in respect of waste management, especially reduction of landfill.

The trustees' annual report and the strategic report were approved on 2 October 2019 and signed on behalf of the board of trustees by:



J Lane  
Trustee

# **Freecycle UK**

## **Company Limited by Guarantee**

### **Chartered Accountant's Report to the Board of Trustees on the Preparation of the Unaudited Statutory Financial Statements of Freecycle UK**

#### **Year ended 30 September 2019**

As described on the statement of financial position, the trustees of the charity are responsible for the preparation of the financial statements for the year ended 30 September 2019, which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes.

You consider that the charity is exempt from an audit under the Companies Act 2006.

In accordance with your instructions we have compiled these financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and from information and explanations supplied to us.

THOMPSON & CO  
Chartered accountants

Sterling Offices  
30A Mill Street  
Bedford  
Beds MK40 3HD

2 October 2019

**Freecycle UK**  
**Company Limited by Guarantee**  
**Statement of Financial Activities**  
**(including income and expenditure account)**  
**Year ended 30 September 2019**

		2019	2018
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Donations and legacies	5	20,050	702
Total income		20,050	702
Expenditure			
Expenditure on charitable activities	6,7	7,702	372
Other expenditure	8	145	—
Total expenditure		7,847	372
Net income and net movement in funds		12,203	330
Reconciliation of funds			
Total funds brought forward		744	414
Total funds carried forward		12,947	744

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 7 to 11 form part of these financial statements.

**Freecycle UK**  
**Company Limited by Guarantee**  
**Statement of Financial Position**  
**30 September 2019**

	Note	2019 £	£	2018 £
<b>Fixed assets</b>				
Tangible fixed assets	13		–	145
<b>Current assets</b>				
Cash at bank and in hand		13,247		899
<b>Creditors: amounts falling due within one year</b>	14	<u>300</u>		<u>300</u>
<b>Net current assets</b>			<u>12,947</u>	<u>599</u>
<b>Total assets less current liabilities</b>			<u>12,947</u>	<u>744</u>
<b>Net assets</b>			<u>12,947</u>	<u>744</u>
<b>Funds of the charity</b>				
Unrestricted funds			<u>12,947</u>	<u>744</u>
<b>Total charity funds</b>	15		<u>12,947</u>	<u>744</u>

For the year ending 30 September 2019 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 2 October 2019, and are signed on behalf of the board by:



J Lane  
Trustee

The notes on pages 7 to 11 form part of these financial statements.

**Freecycle UK**  
**Company Limited by Guarantee**  
**Statement of Cash Flows**  
**Year ended 30 September 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net income	<b>12,203</b>	<b>330</b>
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	<b>–</b>	<b>49</b>
Loss on disposal of tangible fixed assets	<b>145</b>	<b>–</b>
Cash generated from operations	<b>12,348</b>	<b>379</b>
Net cash from operating activities	<b>12,348</b>	<b>379</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of tangible assets	<b>145</b>	<b>–</b>
Net cash from investing activities	<b>145</b>	<b>–</b>
<b>Net increase in cash and cash equivalents</b>	<b>12,493</b>	<b>379</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>899</b>	<b>520</b>
<b>Cash and cash equivalents at end of year</b>	<b>13,392</b>	<b>899</b>

The notes on pages 7 to 11 form part of these financial statements.



# **Freecycle UK**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year ended 30 September 2019**

#### **1. General information**

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 62 Occupation Street, Dudley, West Midlands, DY1 2RF.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

#### **3. Accounting policies**

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

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

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

##### **Going concern**

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

##### **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.

##### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

# **Freecycle UK**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

#### **Year ended 30 September 2019**

#### **3. Accounting policies *(continued)***

##### **Incoming resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### **Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

# Freecycle UK

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

#### 3. Accounting policies *(continued)*

##### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - 20% reducing balance

##### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

##### Financial instruments

A financial asset or a financial liability is recognised only when the entity 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, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

#### 4. Limited by guarantee

The Company is Limited by Guarantee.

#### 5. Donations and legacies

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
<b>Donations</b>				
Donations	20,050	20,050	702	702

#### 6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Activity type 1	7,702	7,702	372	372

# Freecycle UK

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

#### 7. Expenditure on charitable activities by activity type

	Activities undertaken directly	Total funds 2019	Total fund 2018
	£	£	£
Activity type 1	<u>7,702</u>	<u>7,702</u>	<u>372</u>

Resources expended:

Coding work £7,379 (2018 -£0)

Sundry - £35 (2018: £35)

Depreciation - £0 (2018:£49)

Accountancy £288 (2018 -£288)

Total expenses - £7,702 (2018: £372)

#### 8. Other expenditure

	Unrestricted Funds	Total Funds 2019	Unrestricted Funds	Total Funds 2018
	£	£	£	£
Loss on disposal of tangible fixed assets held for charity's own use	<u>145</u>	<u>145</u>	<u>-</u>	<u>-</u>

#### 9. Net income

Net income is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of tangible fixed assets	-	49
Loss on disposal of tangible fixed assets	<u>145</u>	<u>-</u>

#### 10. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2019	2018
	£	£

The average head count of employees during the year was Nil (2018: Nil). The average number of full-time equivalent employees during the year is analysed as follows:

	2019	2018
	No.	No.
Admin	<u>1</u>	<u>1</u>

No employee received employee benefits of more than £60,000 during the year (2018: Nil).

#### 11. Trustee remuneration and expenses

No remuneration is paid to Trustees.

# Freecycle UK

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 30 September 2019

#### 12. Transfers between funds

Restricted funds were exhausted in 2012 and all costs have been met from the general fund.

Fixed assets were transferred to the general fund in 2012.

#### 13. Tangible fixed assets

	Equipment £	Total £
<b>Cost</b>		
At 1 October 2018	1,475	1,475
Disposals	(1,475)	(1,475)
<b>At 30 September 2019</b>	<u>–</u>	<u>–</u>
<b>Depreciation</b>		
At 1 October 2018	1,330	1,330
Disposals	(1,330)	(1,330)
<b>At 30 September 2019</b>	<u>–</u>	<u>–</u>
<b>Carrying amount</b>		
<b>At 30 September 2019</b>	<u>–</u>	<u>–</u>
At 30 September 2018	<u>145</u>	<u>145</u>

#### 14. Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals and deferred income	<u>300</u>	<u>300</u>

#### 15. Analysis of charitable funds

##### Unrestricted funds

	At 1 October 20 18 £	Income £	Expenditure £	At 30 September 2019 £
General funds	<u>744</u>	<u>20,050</u>	<u>(7,847)</u>	<u>12,947</u>

  

	At 1 October 20 17 £	Income £	Expenditure £	At 30 September 2018 £
General funds	<u>414</u>	<u>702</u>	<u>(372)</u>	<u>744</u>

**Freecycle UK**  
**Company Limited by Guarantee**  
**Management Information**  
**Year ended 30 September 2019**

**The following pages do not form part of the financial statements.**

# Freecycle UK

## Company Limited by Guarantee

### Detailed Statement of Financial Activities

Year ended 30 September 2019

	2019 £	2018 £
<b>Income and endowments</b>		
<b>Donations and legacies</b>		
Donations	<u>20,050</u>	<u>702</u>
<b>Total income</b>	<u><u>20,050</u></u>	<u><u>702</u></u>
<b>Expenditure</b>		
<b>Expenditure on charitable activities</b>		
Purchases	—	49
Legal and professional fees	323	323
Other office costs	<u>7,379</u>	<u>—</u>
	<u>7,702</u>	<u>372</u>
<b>Other expenditure</b>		
Loss on disposal of tangible fixed assets held for charity's own use	<u>145</u>	<u>—</u>
<b>Total expenditure</b>	<u><u>7,847</u></u>	<u><u>372</u></u>
<b>Net income</b>	<u><u>12,203</u></u>	<u><u>330</u></u>

# Freecycle UK

## Company Limited by Guarantee

### Notes to the Detailed Statement of Financial Activities

Year ended 30 September 2019

	2019 £	2018 £
<b>Expenditure on charitable activities</b>		
<b>Activity type 1:</b>		
<b><i>Activities undertaken directly</i></b>		
Direct charitable activity	–	49
Direct charitable activity 1 - legal and professional fees	323	323
Direct charitable activity 1 - Subcontract coding	7,379	–
	<u>7,702</u>	<u>372</u>
<b>Expenditure on charitable activities</b>	<u>7,702</u>	<u>372</u>