

**FREEDOM NETWORK INTERNATIONAL**  
**FINANCIAL STATEMENTS**  
**FOR**  
**31 DECEMBER 2018**

**Company Number 6256996**  
**Charity Number 1122937**

**FINANSURE LTD**

**2 Sheppard Street, Brymbo, Wrexham, LL11 5FF**

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**FREEDOM NETWORK INTERNATIONAL**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2018**

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# **FREEDOM NETWORK INTERNATIONAL**

## **CHARITY INFORMATION**

<b>Company number</b>	6256996
<b>Charity number</b>	1122937
<b>Registered working names</b>	DFN UK Freedom Network South Asia Freedom Network UK Dignity Freedom Network
<b>Directors</b>	Mr Gary Sloan (Chairman) Mr Michael Beardsmore Dr Joseph D'Souza Mr Paul Sands Mr Martin Young Mr Kumar Swamy Mrs Santosh Rai
<b>Company Secretary –</b>	Mr Alistair Crow
<b>Registered office</b>	8 Hearn Court Stafford Staffordshire ST17 9QN
<b>Independent Examiner</b>	Mr L Howson MAAT
<b>Accountants</b>	Finansure Limited 2 Sheppard Street Brymbo Wrexham LL11 5FF
<b>Bankers</b>	Nat West Bank Shrewsbury Corporate Office Suite 5, Prospect House Belle Vue Road Shrewsbury SY3 7NR
<b>Solicitors</b>	Wrigleys 19 Cookridge Street Leeds LS2 3AG

## **FREEDOM NETWORK INTERNATIONAL**

### **DIRECTORS' ANNUAL REPORT**

**YEAR ENDED 31 DECEMBER 2018**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Directors**

The following were members of the Board of Directors during the whole of the period from 1 January 2018 to the date of this report, unless stated otherwise:

Mr Gary Sloan (Chairman)  
Mr Michael Beardsmore  
Mr Joseph D'Souza  
Mr Paul Sands  
Mr Kumar Swamy  
Mr Martin Young  
Mrs Santosh Rai

The Directors, who are also Trustees for the purposes of Charity Law, present their report and the financial statements for the year ended 31<sup>st</sup> December 2018. These financial statements comply with statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP) 2015.

Currently we have seven experienced and committed Directors, and we are actively seeking to recruit new ones to ensure that we have the right balance of skills. Only the Members have power to appoint new Directors.

##### **Constitution**

Freedom Network International is a company limited by guarantee and a registered charity.

#### **OBJECTIVES AND ACTIVITIES**

The charitable objects of the company are:

- to promote for the public benefit the enforcement of human rights and the sound administration of human rights law and practice throughout the world in accordance with the relevant legal jurisdiction(s);
- to advance education about human rights and to cultivate a public sentiment in favour of human rights;
- to promote racial and religious harmony, equality and diversity by providing educational resources and information to promote better awareness of the causes and consequences of a world where racial and religious harmony, equality and diversity do not exist;
- to advance education throughout the world;
- to relieve poverty and sickness, particularly amongst victims of natural or other kinds of disaster, particularly by the provision of funds or equipment to individuals or organisations who are themselves or work with those in need.

## **FREEDOM NETWORK INTERNATIONAL**

### **DIRECTORS' ANNUAL REPORT**

**YEAR ENDED 31 DECEMBER 2018**

#### **Principal Activities Undertaken**

The principal activities carried out by Freedom Network International are:

- (1) Raising the awareness of human rights and justice issues by educating the public and lobbying Government and other agencies.
- (2) Supporting a number of other issues where justice and human rights issues are involved:
  - (a) education projects amongst the most needy
  - (b) support for social and community infrastructure.
- (3) The promotion and support of projects involved with the care, upbringing and establishment in life of young people.

The Directors confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit when reviewing the charitable objectives and aims of Freedom Network International, as well as in planning future activities.

#### **ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS**

Refer to the separate directors' report which was submitted to Charity Commission along with these financial statements.

#### **FINANCIAL REVIEW**

The financial results are shown on page 5. Total income for the year was £553,026 (2017 - £290,843). The main source of income was donations and grants along with Gift Aid reclaimed totalling £551,221 (2017 - £285,099).

Total expenditure was £669,467 (2017 - £258,444). This included a loss on disposal of property of £135,000. This loss relates to a property the charity held on behalf of Indian partners, who had fully funded the original purchase of the property. The property was transferred during the year to another UK charity the Indian partners have set up. Other main areas of expenditure included child sponsorship costs £204,610, management costs £54,908, grants payable £54,116 and trafficking prevention £39,481.

This left a deficit of £116,441 for the year. At the year-end the charity held £62,645 unrestricted funds and £750 restricted funds.

**FREEDOM NETWORK INTERNATIONAL**

**DIRECTORS' ANNUAL REPORT**

**YEAR ENDED 31 DECEMBER 2018**

**Reserves**

It is the policy of the Board to build up reserves which are sufficient to enable smooth running of the day-to-day activities of the charity, which is approximately £60,000.

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts.

This report has been prepared in accordance with the small companies' regime under the Companies Act 2006.

This report was approved by the Board on .....15/9/19..... and is signed on its behalf by



Gary Sloan  
Chairman & Director

## **FREEDOM NETWORK INTERNATIONAL**

### **INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS**

I report on the accounts of the charity for the year ended 31 December 2018, which are set out on pages 6 to 13.

#### **Respective responsibilities of directors and examiner**

The charity's directors are responsible for the preparation of the accounts. The charity's directors consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities 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 directors 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 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.



L M Howson MAAT

Dated: 18th September 2019

**FREEDOM NETWORK INTERNATIONAL**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**

**YEAR ENDED 31 DECEMBER 2018**

	Note	Unrestricted Funds £	Restricted Funds £	Totals 2018 £	Totals 2017 £
<b>INCOMING RESOURCES</b>					
Donations & grants	3	171,847	379,374	551,221	285,099
<i>Incoming resources from charitable activities:</i>					
Literature and other sales		493	-	493	924
Other income		1,312	-	1,312	4,820
<b>TOTAL INCOMING RESOURCES</b>		<u>173,652</u>	<u>379,374</u>	<u>553,026</u>	<u>290,843</u>
<b>RESOURCES EXPENDED</b>					
<i>Expenditure on charitable activities:</i>					
Advancement of human rights education	4	196,454	338,013	534,467	258,444
Loss on disposal of fixed assets		135,000	-	135,000	-
<b>TOTAL RESOURCES EXPENDED</b>		<u>331,454</u>	<u>338,013</u>	<u>669,467</u>	<u>258,444</u>
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		(157,802)	41,361	(116,441)	32,399
Transfers between funds		102,681	(102,681)	-	-
Net movement in funds		(55,121)	(61,320)	(116,441)	32,399
Balances brought forward		117,766	62,070	179,836	147,437
Balances carried forward		<u>62,645</u>	<u>750</u>	<u>63,395</u>	<u>179,836</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

The notes on pages 8 to 13 form part of these financial statements.



## FREEDOM NETWORK INTERNATIONAL

## BALANCE SHEET

31 DECEMBER 2018

	Note	2018 £	2017 £
<b>FIXED ASSETS</b>			
Tangible assets	9	242	135,483
<b>CURRENT ASSETS</b>			
Debtors	10	7,998	3,668
Cash at bank and in hand		135,350	143,589
<b>Total Current Assets</b>		<b>143,348</b>	<b>147,257</b>
<b>LIABILITIES</b>			
Creditors falling due within one year	11	(80,195)	(92,951)
<b>Net Current Assets</b>		<b>63,153</b>	<b>54,306</b>
<b>Total Assets Less Current Liabilities</b>		<b>63,395</b>	<b>189,789</b>
Creditors falling due after more than 1 year	12	-	(9,953)
<b>Net Assets</b>	13	<b>63,395</b>	<b>179,836</b>
<b>FUNDS</b>			
Unrestricted funds	14	62,645	117,766
Restricted funds	14	750	62,070
<b>Total Funds</b>		<b>63,395</b>	<b>179,836</b>

For the year ended 31 December 2018, the company was entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the accounts for the year by virtue of section 477, and no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibility for:

- (i) complying with the requirements of the Act with respect to accounting records and the preparation of accounts, and
- (ii) preparing accounts 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 net incoming or outgoing resources for the financial year in accordance with the requirements of the Act relating to financial statements, so far as applicable to the charity.

These financial statements have been prepared in accordance with the special provisions for companies subject to the small companies' regime, and with the Financial Reporting Standard (FRS) 102.

These financial statements were approved by the directors on 15/1/19, and are signed on their behalf by:



Gary Sloan  
Chairman & Director

The notes on pages 8 to 13 form part of these financial statements.

# FREEDOM NETWORK INTERNATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

### 1. ACCOUNTING POLICIES

The accounts have been prepared under the historic cost convention, and in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP) 2015, the Financial Reporting Standard (FRS) 102, applicable accounting standards and the Companies Act 2006. The particular account policies adopted by the Directors are described below:

#### (a) Fund accounting

- **Unrestricted funds** are available for use at the discretion of the Directors in furtherance of the general objectives of the charity.
- **Designated funds** are unrestricted funds that the Directors have set aside for specific purposes.
- **Restricted funds** are subject to restrictions on their use, either imposed by the donor or included in the terms of an appeal.

#### (b) Incoming resources

Grants and donations received are accounted for when the charity is entitled to it and as soon as it is prudent and practicable to do so, generally the earlier of the date of notification or receipt. Grants that are specified for use in a later accounting period are deferred to that period.

#### (c) Resources expended

This includes costs of charitable activities, fundraising and governance expenditure.

- **Fundraising costs** are costs incurred in motivating individuals and other organisations to donate to the work of the charity.
- **Direct charitable expenditure** includes all expenditure directly related to the objects of the charity.
- **Governance** comprises expenditure incurred in the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

#### (d) Fixed Assets and Depreciation

Tangible fixed assets with a cost over £300 are stated at cost less depreciation.

Depreciation is provided in order to write-down the cost of tangible fixed assets over their estimated useful lives, using the following rates:

Freehold buildings	4% on cost
Computer equipment	33% reducing balance

# FREEDOM NETWORK INTERNATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

### 2. UNRESTRICTED AND RESTRICTED INCOME AND EXPENDITURE

Unrestricted funds relate to the general activities of the charity, including the hospitality house.  
Restricted funds relate to the activities of Dignity Freedom Network UK (DFN UK).

### 3. DONATIONS AND GRANTS

	2018 £	2017 £
<b><i>Unrestricted – FNI General</i></b>		
Grants from India	83,575	24,000
UK work – general donations	52,966	-
Gift Aid tax recoverable	35,306	-
<b><i>Restricted – DFN UK</i></b>		
Donations:		
- Education	205,360	28,789
- UK work	57,131	65,322
- Trafficking prevention	39,481	-
- Slum projects	21,250	-
- Emergency funds	19,816	-
- India work	12,940	72,389
- Healthcare	12,021	-
- Economic empowerment	11,375	-
- Other donations	-	1,856
Grants (for India)	-	86,360
Gift Aid tax recoverable	-	6,383
	<u>551,221</u>	<u>285,099</u>

### 4. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	2018 £	2017 £
<b><i>Unrestricted – FNI General</i></b>		
Grants (see note 5)	41,176	41,244
Employment costs (see note 6)	33,522	28,096
Management costs	54,908	21,000
Marketing & communications	22,242	32,247
Travel & accommodation	28,820	22,567
Administration costs	3,856	3,385
Governance costs	7,596	5,352
Housing costs	3,673	5,456
Mortgage interest	420	809
Depreciation	241	9,241
Total unrestricted	<u>196,454</u>	<u>169,397</u>

# **FREEDOM NETWORK INTERNATIONAL**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2018**

### **4. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (continued)**

#### ***Restricted – DFN UK***

Grants payable (see note 5)	12,940	61,993
Child sponsorship costs	204,610	27,054
Sponsorship development costs	16,520	-
Trafficking prevention (India)	39,481	-
Slum projects (India)	21,250	-
Emergency funds (India)	19,816	-
Healthcare (India)	12,021	-
Economic empowerment (India)	11,375	-
	<hr/>	<hr/>
Total restricted	338,013	89,047
	<hr/>	<hr/>
Total	534,467	258,444
	<hr/>	<hr/>

### **5. ANALYSIS OF GRANTS PAYABLE**

	2018 £	2017 £
Projects in India	12,940	61,993
Cost of National Director seconded to DFN UK	41,176	41,244
	<hr/>	<hr/>
Total	54,116	103,237
	<hr/>	<hr/>

### **6. EMPLOYMENT COSTS**

	2018 £	2017 £
Salaries and wages	32,232	25,621
Employer's NIC	-	2,237
Employer's pension contributions	1,290	-
	<hr/>	<hr/>
Total	33,522	27,858
	<hr/>	<hr/>

No employee received remuneration in excess of £60,000 during the year.

The average number of employees during the year was three (2017 – one). The average number of full-time equivalent employees was two (2017 – one).

**FREEDOM NETWORK INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2018**

**7. NET INCOMING RESOURCES**

Net incoming resources are stated after charging the following:

	2018 £	2017 £
Depreciation of tangible fixed assets	<u>241</u>	<u>9,241</u>

**8. PAYMENTS TO DIRECTORS**

No directors received remuneration during the year or were reimbursed for expenses incurred.

**9. FIXED ASSETS**

	Land and buildings £	Computer equipment £	Total £
<b>Cost or Valuation</b>			
At 1 January 2018	225,000	724	225,724
Additions	-	-	-
Disposals	(225,000)	-	(225,000)
<b>At 31 December 2018</b>	<b>-</b>	<b>724</b>	<b>724</b>
<b>Depreciation</b>			
At 1 January 2018	90,000	241	90,241
Charge for year	-	241	241
Disposals	(90,000)	-	(90,000)
<b>At 31 December 2018</b>	<b>-</b>	<b>482</b>	<b>482</b>
<b>Net book value</b>			
<b>At 31 December 2018</b>	<b>-</b>	<b>242</b>	<b>242</b>
At 31 December 2017	135,000	483	135,483

During the year the property owned by the charity was legally transferred to another UK charity run by our Indian partners, who had fully funded the original purchase of the property in 2008. This resulted in a loss on disposal of the property of £135,000 which is shown in the Statement of Financial Activities (page 6).

**FREEDOM NETWORK INTERNATIONAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2018**

**10. DEBTORS**

	2018 £	2017 £
Income tax recoverable	7,484	3,526
Prepayments	514	142
	<u>7,998</u>	<u>3,668</u>

**11. CREDITORS: amounts falling due within one year**

	2018 £	2017 £
Loans payable	-	16,000
Publicity and exhibitions	9,250	-
Accruals	70,078	66,342
Other creditors	867	10,609
	<u>80,195</u>	<u>92,951</u>

**12. CREDITORS: Amounts falling due after more than one year**

	2018 £	2017 £
Loans payable:		
- 1-2 years	-	9,953
	<u>-</u>	<u>9,953</u>

# FREEDOM NETWORK INTERNATIONAL

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

### 13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds £	Unrestricted funds £	Total £
<b>Funds at 31 December 2018</b>			
<b>represented by:</b>			
Tangible fixed assets	-	242	242
Current assets	750	142,598	143,348
Current liabilities	-	(80,195)	(80,195)
	<u>750</u>	<u>62,645</u>	<u>63,395</u>

### 14. STATEMENT OF FUNDS

	At 1 January 2018 £	Income £	Expenditure £	Transfers £	At 31 December 2018 £
<b>Unrestricted funds:</b>					
General reserve	117,766	173,652	(331,454)	102,681	62,645
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
<b>Restricted funds:</b>					
DFN UK	62,070	379,374	(338,013)	(102,681)	750
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
<b>Total funds</b>	<b>179,836</b>	<b>553,026</b>	<b>(669,467)</b>	<b>-</b>	<b>63,395</b>
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>

DFN UK represents funds donated for the Dignity Freedom Network projects.

The transfer of funds out of DFN UK into the general reserve represents a correction of prior year movements on the DFN UK fund.