

FREE THE WAY
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31 MARCH 2021

Charity Number 1107435

BREWSTER & CO.
Chartered Accountants
5a Station Terrace
East Boldon
Tyne & Wear
NE36 0LJ

**FREE THE WAY
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

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**FREE THE WAY
COMPANY LIMITED BY GUARANTEE
TRUSTEES ANNUAL REPORT
YEAR ENDED 31 MARCH 2021**

The trustees, who are also directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Free The Way
Charity registration number	1107435
Company registration number	5024637
	24 Church Street Seaham Co. Durham SR7 7HQ
Registered office	24 Church Street Seaham Co Durham SR7 7HQ

THE TRUSTEES

The trustees who served the charity during the period were as follows:

S Robb
P Scholes (Chairperson)
T Stuart
S Tulip
T Welch
C Darvell

Secretary Mrs. A. Goggins

Bankers Unity trust

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Free The Way Ltd, a registered charity, is a company limited by guarantee governed by its Memorandum and Articles of Association. Anyone over the age of 18 can become a member of the company and there are currently seven members, each of whom agree to contribute £1 in the event of the charity winding up.

FREE THE WAY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

Appointment of Trustees

The chair of trustees (management committee). The qualification of a management committee member is that he or she is a member of the company. Members of the management committee are appointed in accordance with the Articles of Association.

The management committee may at any time co-opt any four persons to the management committee whether not they are members of the company, provided that the maximum number of sixteen is not exceeded and that no more than four such co-options shall be made between one annual general meeting and the next. All persons so co-opted shall retire at the next annual general meeting following their co-option but shall be eligible to be reappointed thereafter.

Trustee Induction and Training

New trustees undergo training to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the management committee and decision making process, the business plan and recent financial performance of the charity.

The trustees have all undergone training in specialist areas in order to provide a more professional service including drug awareness, health and safety, child protection, food and hygiene, counselling skills and community enterprise management together with engaging skills and confidentiality.

Organisation

Free The Way Ltd is administered by its Board of Trustees (management committee) who meet monthly. The day to day operations are managed by the centre manager who directs the assistants and volunteers.

To facilitate effective operations, the centre manager has delegated authority, within the terms of delegation approved by the management committee, for operational matters including finance, employment and centre activities.

The management committee may delegate any of their powers to sub-committees consisting of such members of their body and/or the company as they think fit. Any sub-committees so formed shall conform to any regulations imposed on it by the management committee.

Risk Management

The trustees have a risk management strategy which comprises:

- . an annual review of the risks the charity may face;
- . the establishment of systems and procedures to mitigate those risks identified in the plan; and
- . the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

FREE THE WAY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

The objectives for which Free The Way was established are:

(a) For the benefits of the residents of Seaham and surrounding areas in Co Durham, the provision of support, advice and information to families and carers of people with drug, alcohol and gambling addiction without distinction of gender, sexuality, race, disability, political, religious or other opinions, by working in partnership with such people and their community, to identify their needs.

(b) Advance facilities in a common effort to provide facilities in the interest of social welfare, education and leisure time occupation, with the object of improving the quality of life for the people of Seaham and surrounding areas of Co Durham.

(c) To engage in any business, trade or industry this may seem to the company directly or indirectly conducive to the interests or convenience of the company's area of activity generally.

The main objectives for the period continue to be a local initiative providing care, counselling and support to the addictive community and their families. We aim to help people achieve and maintain total abstinence from drug / alcohol use with our supported accommodation programme.

The strategies employed to achieve the charity's objectives are:

- Supported Accommodation facility providing a safe place to live, stability and support to help clients in their journey towards recovery and independent living.
- A help and information service for substance and alcohol users and their families so they can access up to date information on the variety of services available to them.

ACHIEVEMENTS AND PERFORMANCE

While 2020/21 has proven to be a challenging time for Free the Way, we have still managed to achieve a host of positive outcomes for our clients. We currently have three clients studying at Universities across the region, one at BSc. Level, one client studying for a Master's degree, as well as a client who is now entering his third year of his Doctorate qualification. We have also had several clients engaging with volunteering across the community and it is anticipated that full-time employment will result from their endeavours. As well as academic and employment achievements, we have also witnessed several positive move-ons with clients now becoming fully self-supporting in their own accommodation. These were all once considered as vulnerable adults where housing, employment and education had been previously evidenced as barriers to an individual's progress.

Although Covid-19 restrictions have imposed severe limitations on what could be achieved through this difficult period, we have received funding from various sources that supported us during this critical time. Following a recent relaxing of restrictions, we are now witnessing an influx of new clients and it is hoped that we will return to our operational capacity in the coming weeks. It is also hoped that we will shortly see a return to our work within the wider community when a further relaxation is announced. Overall, we feel that our project has 'weathered the storm' reasonably well and are well prepared for a transition to the anticipated 'new normal'.

FREE THE WAY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

The principal funding during the year were grants from a variety of sources.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish.

The trustees, having regard to the liquidity requirements of operating the charity and to the reserves policy have operated a policy of keeping available funds in an interest bearing deposit account and seek to achieve a rate of deposit interest which matches or exceeds inflation.

Reserves Policy

The general reserve, which represents an accumulation of accounting surpluses out of unrestricted income, is available to enable the charity to fulfil its objectives, to meet existing commitments and to provide funds for tangible asset replacement and project development. The agreed policy of the board of trustees is to provide a reasonable working capital base of between six and twelve months unrestricted income to enable Free The Way to fulfil its objectives and meet its contingent responsibilities.

PLANS FOR FUTURE PERIODS

We currently provide supported accommodation for fifteen clients in primary care, and 11 supported clients in secondary move on accommodation. It is expected that our primary care population will increase by almost 70% when we move to our new larger premises in July 2021. This will significantly increase our income from Housing Benefit which is our primary source of income. Although we have experienced some difficulties during the pandemic, an increase in population will allow us to offset any decrease in income that may result from any further restriction ensuring that our project is sustainable into the future.

FREE THE WAY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2021

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also the directors of Free the Way for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial 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 charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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 the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT EXAMINER

Charles Brewster BA (Hons) FCA has been re-appointed as independent examiner for the ensuing year.

Registered office:
24 Church Street
Seaham
Co Durham
SR7 7HQ

Signed on behalf of the trustees

S Robb
Director and Trustee
9th July 2021

**FREE THE WAY
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF FREE
THE WAY *(continued)***

YEAR ENDED 31 MARCH 2021

I report on the accounts of the charitable company for the year ended 31 March 2021, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

Respective responsibilities of trustees and examiner

The Trustees, who are also directors 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 required.

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 charitable company 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 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 397 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.

Charles Brewster BA (Hons) FCA
Independent examiner

5a Station Terrace
East Boldon
Tyne & Wear
NE36 0LJ

9th July 2021

**FREE THE WAY
COMPANY LIMITED BY GUARANTEE**

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

YEAR ENDED 31 MARCH 2021

	Note	Total Funds 2021 £	Total Funds 2020 £
INCOMING RESOURCES			
Incoming resources from generating funds:			
Voluntary income	2	370,454	270,075
Investment income	3	-	1
TOTAL INCOMING RESOURCES		370,454	270,076
RESOURCES EXPENDED			
Charitable activities	4/5	(327,514)	(260,954)
Governance costs	6	(6,403)	(6,214)
TOTAL RESOURCES EXPENDED		(333,917)	(267,168)
NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR/NET (EXPENDITURE)/INCOME FOR THE YEAR	7	36,537	2,908
RECONCILIATION OF FUNDS			
Total funds brought forward		40,204	37,296
TOTAL FUNDS CARRIED FORWARD		76,741	40,204

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

All of the above amounts relate to continuing activities.

The notes on pages 9 to 13 form part of these financial statements.

FREE THE WAY COMPANY LIMITED BY GUARANTEE

BALANCE SHEET *(continued)*

31 MARCH 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	9	13,227	18,300
CURRENT ASSETS			
Debtors	10	-	-
Cash at bank and in hand		66,714	23,582
		79,941	41,882
CREDITORS: Amounts falling due within one year	11	(3,200)	(1,678)
NET CURRENT (LIABILITIES)/ASSETS		76,741	40,204
TOTAL ASSETS LESS CURRENT LIABILITIES		76,741	40,204
CREDITORS: Amounts falling due after more than one year	12	-	-
NET ASSETS		76,741	40,204
FUNDS			
Restricted Funds		20,866	21,615
Unrestricted income funds	13	55,875	18,589
TOTAL FUNDS		76,741	40,204

The trustees are satisfied that the charity is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act.

The trustees acknowledge their responsibilities for:

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

These financial statements were approved by the members of the committee on the 9th July 2021 and are signed on their behalf by:

P Scholes

Company Registration Number: 5024637

The notes on pages 9 to 13 form part of these financial statements.

**FREE THE WAY
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006.

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods and services are supplied. Other grant payments are recognised when a constructive obligation arises that result in payment being unavoidable.

- Charitable activities include both the direct and support costs relating to those activities. - Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

Fixtures & Fittings	- 10% straight line
Motor Vehicles	- 25% reducing balance

Incoming resources

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific conditions is recognised as earned (as the related goods or services provided). Grant Income included in this category provides funding to support centre activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

**FREE THE WAY
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

Funds structure

The trust has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are restricted income funds.

Legal status of the charity

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

2. VOLUNTARY INCOME

	Restricted Funds	Unrestricted Funds	Total Funds 2021	Total Funds 2020
		£	£	£
DCC & Housing Benefit		-	-	212,314
Other		243,565	243,565	
JRS		29,801	29,801	
Grant for Business		10,000	10,000	
Donations				
General donations		1,300	1,300	1,035
Grants receivable				
Misc				51
Co-op		907	907	
Williams				8,320
Lloyds	16,608	3,169	19,777	16,608
Austin & Hope				
Lottery Fund Grant	14,692	14,404	29,096	14,404
Durham Housing Group		3,528	3,528	2,400
Greggs		40	40	
James Trust		5,000	5,000	
CDCF		12,949	12,949	4,800
Balinger				5,644
Barbour Trust				2,000
Hadrian Trust				500
House of God				2,000
The Neighbourly Ltd		400	400	
B & Q		4,800	4,800	
Others		9,291	9,291	
	<u>31,300</u>	<u>339,154</u>	<u>370,454</u>	<u>270,076</u>

3. INVESTMENT INCOME

	Unrestricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£
Bank interest receivable	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

FREE THE WAY COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

4. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Restricted Funds	Unrestricted Funds	Total Funds 2021	Total Funds 2020
		£	£	£
Operation of drop in centre	<u>32,049</u>	<u>295,465</u>	<u>327,514</u>	<u>260,954</u>

5. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Restricted Funds	Unrestricted Funds	Total Funds 2021	Total Funds 2020
		£	£	£
Operation of drop in centre	<u>32,049</u>	<u>295,465</u>	<u>327,514</u>	<u>260,954</u>

6. GOVERNANCE COSTS

	Unrestricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£
Accountancy fees	1,330	1,330	1,140
Interest payable			
Depreciation	<u>5,073</u>	<u>5,073</u>	5,074
	<u>6,403</u>	<u>6,403</u>	<u>6,214</u>

7. NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2021	2020
	£	£
Depreciation	5,073	5,074
Operating lease costs:		
- Other		
	<u> </u>	<u> </u>

8. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2021	2020
	£	£
Wages and salaries	87,918	88,692
Social security costs	—	—
	<u>87,918</u>	<u>88,692</u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

2021	2020
No	No
5	5

No employee received remuneration of more than £60,000 during the year (2020 - Nil).

**FREE THE WAY
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

9. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Motor Vehicles £	Total £
COST			
At 1 April 2020	50,735	-	50,735
Additions	-	-	-
At 31 March 2021	<u>50,735</u>	<u>-</u>	<u>50,735</u>
DEPRECIATION			
At 1 April 2020	32,435		32,435
Charge for the year	5,073		5,073
Disposal			
At 31 March 2021	<u>37,508</u>	<u>-</u>	<u>37,508</u>
NET BOOK VALUE			
At 31 March 2021	<u>13,227</u>	<u>-</u>	<u>13,227</u>
At 31 March 2020	<u>18,300</u>	<u>-</u>	<u>18,300</u>

10. DEBTORS

	2021 £	2020 £
Other Debtors	-	-

11. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	78
Taxation and social security	2000	600
Hire purchase and finance lease agreements	-	-
Accruals	1,200	1,000
	<u>3,200</u>	<u>1,678</u>

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

	2021 £	2020 £
Hire purchase and finance lease agreements	-	-

**FREE THE WAY
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

13. UNRESTRICTED INCOME FUNDS

	Balance at 1 April 2020	Incoming resources	Outgoing resources	Balance at 31 March 2021
	£	£	£	£
General Funds	18,589	339,154	(301,867)	55,876
	<u>18,589</u>	<u>339,154</u>	<u>(301,867)</u>	<u>55,876</u>

14. RESTRICTED INCOME FUNDS

	Balance at 1 April 2020	Incoming resources	Outgoing resources	Balance at 31 March 2021
	£	£	£	£
Balinger	941	-	(941)	-
Lottery	9,602	14,692	(14,500)	9,794
Lloyds	11,072	16,608	(16,608)	11,072
	<u>21,615</u>	<u>31,300</u>	<u>(32,049)</u>	<u>20,866</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Net current assets	Long term liabilities	Total
	£	£	£	£
Unrestricted Income Funds	13,227	42,649	-	55,876
Restricted	-	20,866	-	20,866
Total Funds	<u>13,227</u>	<u>63,515</u>	<u>-</u>	<u>76,742</u>

16. COMPANY LIMITED BY GUARANTEE

The charity is constituted under company law as a company limited by guarantee and does not have any share capital. The number of members is seven. Each member has guaranteed to contribute an amount not exceeding £1 in the event of the company being wound up.