

**FREE THE WAY**  
**COMPANY LIMITED BY GUARANTEE**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2022**

**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 2022**

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**FREE THE WAY  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES ANNUAL REPORT  
YEAR ENDED 31 MARCH 2022**

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 2022.

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Registered charity name</b>	Free The Way
<b>Charity registration number</b>	1107435
<b>Company registration number</b>	5024637
	37 Church Street Seaham Co. Durham SR7 7EJ
<b>Registered office</b>	37 Church Street Seaham Co Durham SR7 7EJ

**THE TRUSTEES**

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

L Anderson  
C Darvell  
A Elliwel  
T Welch  
P Scholes

**Secretary** Mrs. S.J. Robb

**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 2022**

#### **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 2022**

#### **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, PERFORMANCE AND PLANS FOR FUTURE PERIODS**

- With the move to the new building, we can now admit more service users. This means we can over the next 3 years increase our income. Funding is needed to firstly accommodate the new cohort of service users. In addition, we also need to furnish new properties, both for stage one intake and move on stage accommodation.

Currently

- We have 15 service users in stage one daily engagement programme. With funding we could double this intake to 30.
- In move on after care, we have 14 residents – 3 female and 11 males.
- With funding we would look to help with domestic violence housing because of addiction (currently supporting 3 females) increasing our total move on clients from 20-25.
- We are also in discussions with Durham County Council to increase the support rate Housing benefit awarded. This needs renegotiating due to the rise in living and additional services we have implemented.

Currently HB payment (Monthly)

- £798.92 Stage one support.
- £700.96 Move on support.

# **FREE THE WAY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT *(continued)***

### **YEAR ENDED 31 MARCH 2022**

Our accounts are in a stable state, we saw an increase in 2021 due to Covid and extra funds being released. However, we anticipate a lower turnover in 2022 as this support made available drops off. However, our accounts are still healthy with a prudent reserve in place to ensure operating. However, we do not have the masses of reserves and need funding to help reach maximum potential.

With funding we could either

- Buy our own Minibus with larger capacity
- Use the current Minibus (capacity 16) to make 2 pick ups of service users per day
- Rent new properties to house new influx of additional service users.
- Train staff and peer mentors to accommodate extra intake of service users.

Currently we have a backlog of people wanting to be admitted into the project but cannot grow without the above in place to support greater numbers.

#### **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.

# **FREE THE WAY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT *(continued)***

### **YEAR ENDED 31 MARCH 2022**

#### **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:  
37 Church Street  
Seaham  
Co Durham  
SR7 7EJ

Signed on behalf of the trustees

Director and Trustee  
9<sup>th</sup> July 2022

**FREE THE WAY  
COMPANY LIMITED BY GUARANTEE**

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

**YEAR ENDED 31 MARCH 2022**

I report on the accounts of the charitable company for the year ended 31 March 2022, 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

9<sup>th</sup> July 2022



**FREE THE WAY  
COMPANY LIMITED BY GUARANTEE**

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

**YEAR ENDED 31 MARCH 2022**

	Note	Total Funds 2022 £	Total Funds 2021 £
<b>INCOMING RESOURCES</b>			
Incoming resources from generating funds:			
Voluntary income	2	<b>346,701</b>	370,454
Investment income	3	-	-
<b>TOTAL INCOMING RESOURCES</b>		<b>346,701</b>	370,454
<b>RESOURCES EXPENDED</b>			
Charitable activities	4/5	<b>(344,780)</b>	(327,514)
Governance costs	6	<b>(10,002)</b>	(6,403)
<b>TOTAL RESOURCES EXPENDED</b>		<b>(354,782)</b>	(333,917)
<b>NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR/NET (EXPENDITURE)/INCOME FOR THE YEAR</b>	7	<b>(8,081)</b>	36,537
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward		<b>76,741</b>	40,204
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>68,660</b>	76,741

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 2022**

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	9	<b>39,729</b>	13,227
<b>CURRENT ASSETS</b>			
Debtors	10	-	-
Cash at bank and in hand		<b>32,939</b>	66,714
		<b>32,939</b>	66,714
<b>CREDITORS: Amounts falling due within one year</b>	11	<b>(4,008)</b>	(3,200)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>28,931</b>	63,514
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>68,660</b>	76,741
<b>CREDITORS: Amounts falling due after more than one year</b>	12	-	-
<b>NET ASSETS</b>		<b>68,660</b>	76,741
<b>FUNDS</b>			
Restricted Funds	14	<b>7,493</b>	20,866
Unrestricted income funds	13	<b>61,167</b>	55,875
<b>TOTAL FUNDS</b>		<b>68,660</b>	76,741

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 9<sup>th</sup> July 2022 and are signed on their behalf by:

Carl Darvell

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 2022**

**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  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2022**

**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**

	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total Funds 2022</b>	<b>Total Funds 2021</b>
		<b>£</b>	<b>£</b>	<b>£</b>
Fees		<b>4,000</b>	<b>4,000</b>	-
Other		<b>264,181</b>	<b>264,181</b>	243,565
JRS		<b>9,051</b>	<b>9,051</b>	29,801
Grant for Business				10,000
<b>Donations</b>				
General donations		<b>2,321</b>	<b>2,321</b>	1,300
<b>Grants receivable</b>				
Durham County Council		<b>14,500</b>	<b>14,500</b>	
Co-op		<b>827</b>	<b>827</b>	907
Lloyds				19,777
Help the Homeless		<b>2,500</b>	<b>2,500</b>	
Lottery Fund Grant	<b>29,677</b>		<b>29,677</b>	29,096
Durham Housing Group				3,528
Greggs				40
James Trust				5,000
CDCF				12,949
Balinger		<b>5,644</b>	<b>5,644</b>	
Barbour Trust		<b>5,000</b>	<b>5,000</b>	
Arnold Clark		<b>1,000</b>	<b>1,000</b>	
College		<b>8,000</b>	<b>8,000</b>	
The Neighbourly Ltd				400
B & Q				4,800
Others				9,291
	<b>29,677</b>	<b>317,024</b>	<b>346,701</b>	<b>370,454</b>

**3. INVESTMENT INCOME**

	<b>Unrestricted Funds</b>	<b>Total Funds 2022</b>	<b>Total Funds 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Bank interest receivable	-	-	-

# FREE THE WAY COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

**YEAR ENDED 31 MARCH 2022**

### 4. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Restricted Funds	Unrestricted Funds	Total Funds 2022	Total Funds 2021
		£	£	£
Operation of drop in centre	<u>43,050</u>	<u>311,732</u>	<u>354,782</u>	<u>327,514</u>

### 5. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Restricted Funds	Unrestricted Funds	Total Funds 2022	Total Funds 2021
		£	£	£
Operation of drop in centre	<u>43,050</u>	<u>311,732</u>	<u>354,782</u>	<u>327,514</u>

### 6. GOVERNANCE COSTS

	Unrestricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£
Accountancy fees	1,420	1,420	1,330
Interest payable			
Depreciation	<u>8,582</u>	<u>8,582</u>	5,073
	<u>10,002</u>	<u>10,002</u>	<u>6,403</u>

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

This is stated after charging:

	2022	2021
	£	£
Depreciation	8,582	5,073
Operating lease costs:		
- Other		
	<u>      </u>	<u>      </u>

### 8. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	137,661	87,918
Social security costs	—	—
	<u>137,661</u>	<u>87,918</u>

#### Particulars of employees:

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

2022	2021
No	No
5	5

No employee received remuneration of more than £60,000 during the year (2021 - Nil).

**FREE THE WAY  
COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2022**

**9. TANGIBLE FIXED ASSETS**

	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>COST</b>			
At 1 April 2021	50,735	-	50,735
Additions	35,084	-	35,084
<b>At 31 March 2022</b>	<u>85,819</u>	<u>-</u>	<u>85,819</u>
<b>DEPRECIATION</b>			
At 1 April 2021	37,508		37,508
Charge for the year	8,582		8,582
Disposal			
<b>At 31 March 2022</b>	<u>46,090</u>	<u>-</u>	<u>46,090</u>
<b>NET BOOK VALUE</b>			
<b>At 31 March 2022</b>	<u>39,729</u>	<u>-</u>	<u>39,729</u>
At 31 March 2021	<u>13,227</u>	<u>-</u>	<u>13,227</u>

**10. DEBTORS**

	2022 £	2021 £
Other Debtors	-	-

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

	2022 £	2021 £
Trade creditors	-	-
Taxation and social security	2,608	2,000
Hire purchase and finance lease agreements	-	-
Accruals	1,400	1,200
	<u>4,008</u>	<u>3,200</u>

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

	2022 £	2021 £
Hire purchase and finance lease agreements	-	-

**FREE THE WAY  
COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2022**

**13. UNRESTRICTED INCOME FUNDS**

	Balance at 1 April 2021	Incoming resources	Outgoing resources	Balance at 31 March 2022
	£	£	£	£
General Funds	55,876	317,024	(311,733)	61,167
	<u>55,876</u>	<u>317,024</u>	<u>(311,733)</u>	<u>61,167</u>

**14. RESTRICTED INCOME FUNDS**

	Balance at 1 April 2021	Incoming resources	Outgoing resources	Balance at 31 March 2022
	£	£	£	£
Balinger	-	-	-	-
Lottery	9,794	29,677	(31,978)	7,493
Lloyds	11,072	-	(11,072)	-
	<u>20,866</u>	<u>29,677</u>	<u>(43,050)</u>	<u>7,493</u>

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible fixed assets	Net current assets	Long term liabilities	Total
	£	£	£	£
Unrestricted Income Funds	39,729	21,438	-	61,167
Restricted	-	7,493	-	7,493
Total Funds	<u>39,729</u>	<u>28,931</u>	<u>-</u>	<u>68,660</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.