

Free The Way

Charity No. 1107435

Company No. 05024637

Trustees' Report and Unaudited Accounts

31 March 2023

	Pages
Trustees' Annual Report	2 to 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Summary Income and Expenditure Account	6
Balance Sheet	7
Notes to the Accounts	8 to 13
Detailed Statement of Financial Activities	14 to 15

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the unaudited financial statements of the charity for the year ended 31 March 2023.

REFERENCE AND ADMINISTRATIVE DETAILS

Company No. 05024637

Charity No. 1107435

Registered Office

37 Church Street

Seaham

County Durham

SR7 7EJ

Directors and Trustees

The Directors of the charitable company are its Trustees for the purposes of charity law.

The following Directors and Trustees served during the year:

L. Anderson

C. Darvell

A. Elliwell

P. Scholes

T. Welch

Company Secretary

S. Robb

Accountants

Brewster & Co (NE) Ltd

5a Station Terrace

East Boldon

Tyne & Wear

NE36 0LJ

OBJECTIVES AND ACTIVITIES

The purpose of the charity as set out in its governing document is to provide accommodation, support and development programmes to help recovering addicts into independent living.

ACHIEVEMENTS AND PERFORMANCE

We have gotten our clients through a number of courses, cookery, art, resilience training, numbers, driving license theory course, maths course. We have opened another two houses, we have some clients now back in full time employment, a few have now passed their driving tests and now have cars. We also do a breakfast club on a Wednesday morning, helping people that struggle have a bit to eat and offer one 2 one support. We also do sound bath mediation, to improve mental well being, mindfulness and keeps you connected. Walk and talk counselling for people who need extra support. We also take lads camping get them doing a bit team building.

PLANS FOR FUTURE PERIODS

A large charity must provide a summary of the charity's plans for the future including its aims and objectives and details of any plans to achieve them ...

A large charity's report should explain the trustees perspective of the future direction of the charity...

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to 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 charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in Part 15 of the Companies Act 2006 and in accordance with the Charities SORP (FRS 102).

Signed on behalf of the board

L. Anderson
Trustee
31 March 2023

I report to the charity trustees on my examination of the financial statements of Free The Way for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

As the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW.

I have completed my examination. I can confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that:

- accounting records were not kept in accordance with section 386 of the 2006 Act ; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the accounting requirements under section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the financial statements have not been prepared in accordance with the Charities SORP (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

C. T. Brewster
ICAEW
Brewster & Co (NE) Ltd
5a Station Terrace
East Boldon
Tyne & Wear

NE36 0LJ
31 March 2023

Free The Way
Statement of Financial Activities
for the year ended 31 March 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
	Notes				
Income and endowments from:					
Donations and legacies	3	2,565	-	2,565	2,321
Charitable activities	4	56,432	11,660	68,092	67,148
Investments	5	2	-	2	-
Other	6	297,719	-	297,719	277,232
Total		356,718	11,660	368,378	346,701
Expenditure on:					
Other	7	346,778	7,493	354,271	354,783
Total		346,778	7,493	354,271	354,783
Net gains on investments		-	-	-	-
Net income/(expenditure)	8	9,940	4,167	14,107	(8,082)
Transfers between funds		-	-	-	-
Net income/(expenditure) before other gains/(losses)		9,940	4,167	14,107	(8,082)
Other gains and losses					
Net movement in funds		9,940	4,167	14,107	(8,082)
Reconciliation of funds:					
Total funds brought forward		61,167	7,493	68,660	76,742
Total funds carried forward		71,107	11,660	82,767	68,660

Free The Way
Summary Income and Expenditure Account
for the year ended 31 March 2023

	2023 £	2022 £
Income	368,376	337,650
Interest and investment income	2	9,051
Gross income for the year	<u>368,378</u>	<u>346,701</u>
Expenditure	344,171	355,758
Depreciation and charges for impairment of fixed assets	10,100	-
Total expenditure for the year	<u>354,271</u>	<u>355,758</u>
Net income/(expenditure) before tax for the year	14,107	(9,057)
Net income /(expenditure)for the year	<u><u>14,107</u></u>	<u><u>(9,057)</u></u>

Free The Way
Balance Sheet
at 31 March 2023

Company No. 05024637	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	10	44,817	39,729
		<u>44,817</u>	<u>39,729</u>
Current assets			
Cash at bank and in hand		39,990	32,939
		<u>39,990</u>	<u>32,939</u>
Creditors: Amount falling due within one year	11	(2,040)	(4,008)
Net current assets		<u>37,950</u>	<u>28,931</u>
Total assets less current liabilities		<u>82,767</u>	<u>68,660</u>
Net assets excluding pension asset or liability		<u>82,767</u>	<u>68,660</u>
Total net assets		<u><u>82,767</u></u>	<u><u>68,660</u></u>
The funds of the charity			
Restricted funds	12		
Restricted income funds		11,660	7,493
		<u>11,660</u>	<u>7,493</u>
Unrestricted funds	12		
General funds		71,107	61,167
		<u>71,107</u>	<u>61,167</u>
Reserves	12		
Total funds		<u><u>82,767</u></u>	<u><u>68,660</u></u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

For the year ended 31 March 2023 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Approved by the board on 31 March 2023

And signed on its behalf by:

C. Darvell
Trustee
31 March 2023

1 Accounting policies

Basis of preparation

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) and the Companies Act 2006.

Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

Fund accounting

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

Income

Recognition of income	Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.
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Income with related expenditure	Where income has related expenditure the income and related expenditure is reported gross in the SoFA.
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Donations and legacies	Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.
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Tax reclaims on donations and gifts	Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.
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Donated services and facilities	These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.
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Volunteer help	The value of any volunteer help received is not included in the accounts.
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Investment income	This is included in the accounts when receivable.
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Gains/(losses) on revaluation of fixed assets	This includes any gain or loss resulting from revaluing investments to market value at the end of the year.
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Gains/(losses) on investment assets	This includes any gain or loss on the sale of investments.
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Free The Way

Notes to the Accounts

Expenditure

Recognition of expenditure	Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
Expenditure on raising funds	These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.
Expenditure on charitable activities	These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.
Grants payable	All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.
Governance costs	These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.
Other expenditure	These are support costs not allocated to a particular activity.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Freehold investment property

Investment properties are measured initially at cost and subsequently at fair value at each balance sheet date and are not depreciated. All gains or losses are taken to the Statement of Financial Activities as they arise.

Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

Trade and other debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Monetary assets and liabilities denominated in currencies other than the functional currency of the charity are translated at the rates of exchange prevailing at the end of the reporting period.

Transactions in currencies other than the functional currency of the charity are recorded at the rate of exchange on the date that the transaction occurred.

All exchange differences are taken into account in arriving at net income/expenditure.

Leased assets

Where the charity enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease.

Leases which do not transfer substantially all the risks and rewards of ownership to charity are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the charity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet date as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the charity's policy on borrowing costs.

Assets held under finance leases are depreciated in the same way as owned assets.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Pension costs

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations. The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Receipt of donated goods, facilities and services

All donated goods, facilities and services received are recognised within incoming resources and expenditure at an estimate of the value to the charity.

2 Company status

The company is a private company limited by guarantee and consequently does not have share capital.

3 Income from donations and legacies

Unrestricted	Total 2023	Total 2022
£	£	£
2,565	2,565	2,321
<u>2,565</u>	<u>2,565</u>	<u>2,321</u>

4 Income from charitable activities

Unrestricted	Restricted	Total 2023	Total 2022
£	£	£	£
41,446	-	41,446	37,471
14,986	11,660	26,646	29,677
<u>56,432</u>	<u>11,660</u>	<u>68,092</u>	<u>67,148</u>

5 Income from investments

Unrestricted	Total 2023	Total 2022
£	£	£
2	2	-
<u>2</u>	<u>2</u>	<u>-</u>

6 Other income

Unrestricted	Total 2023	Total 2022
£	£	£
296,119	296,119	264,181
-	-	9,051
1,600	1,600	4,000
<u>297,719</u>	<u>297,719</u>	<u>277,232</u>

7 Other expenditure

	Unrestricted	Restricted	Total 2023	Total 2022
	£	£	£	£
Employee costs	124,980	7,493	132,473	161,259
Motor and travel costs	12,627	-	12,627	12,751
Premises costs	159,524	-	159,524	139,009
Amortisation, depreciation, impairment, profit/loss on disposal of fixed assets	10,100	-	10,100	8,582
General administrative costs	27,007	-	27,007	21,331
Legal and professional costs	12,540	-	12,540	11,851
	<u>346,778</u>	<u>7,493</u>	<u>354,271</u>	<u>354,783</u>

8 Net income/(expenditure) before transfers

	2023	2022
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	10,100	8,582

9 Staff costs

	2023	2022
	£	£
Salaries and wages	100,712	137,661
	<u>100,712</u>	<u>137,661</u>

No employee received emoluments in excess of £60,000.

10 Tangible fixed assets

	£	£
Cost or revaluation		
At 1 April 2022	85,819	85,819
Additions	15,188	15,188
At 31 March 2023	<u>101,007</u>	<u>101,007</u>
Depreciation and impairment		
At 1 April 2022	46,090	46,090
Depreciation charge for the year	10,100	10,100
At 31 March 2023	<u>56,190</u>	<u>56,190</u>
Net book values		
At 31 March 2023	<u>44,817</u>	<u>44,817</u>
At 31 March 2022	<u>39,729</u>	<u>39,729</u>

11 Creditors:

amounts falling due within one year

	2023	2022
	£	£
Other taxes and social security	440	2,608
Accruals	1,600	1,400
	<u>2,040</u>	<u>4,008</u>

12 Movement in funds

	At 1 April 2022	Incoming resources (including other gains/losses) £	Resources expended £	At 31 March 2023 £
Restricted funds:				
Restricted income funds:				
	7,493	11,660	(7,493)	11,660
<i>Total</i>	<u>7,493</u>	<u>11,660</u>	<u>(7,493)</u>	<u>11,660</u>
Unrestricted funds:				
General funds	61,167	356,718	(346,778)	71,107
<i>Total funds</i>	<u>68,660</u>	<u>368,378</u>	<u>(354,271)</u>	<u>82,767</u>

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	44,817	-	44,817
Net current assets	26,290	11,660	37,950
	<u>71,107</u>	<u>11,660</u>	<u>82,767</u>

14 Reconciliation of net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash and cash equivalents	32,939	7,051	39,990
	<u>32,939</u>	<u>7,051</u>	<u>39,990</u>
Net debt	<u>32,939</u>	<u>7,051</u>	<u>39,990</u>

15 Related party disclosures

Controlling party

The company is limited by guarantee and has no share capital; thus no single party controls the company.

Free The Way
Detailed Statement of Financial Activities
for the year ended 31 March 2023

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:				
Donations and legacies	2,565	-	2,565	2,321
	<u>2,565</u>	<u>-</u>	<u>2,565</u>	<u>2,321</u>
Charitable activities				
	41,446	-	41,446	37,471
	14,986	11,660	26,646	29,677
	<u>56,432</u>	<u>11,660</u>	<u>68,092</u>	<u>67,148</u>
Investments				
	2	-	2	-
	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>
Other				
	296,119	-	296,119	264,181
	-	-	-	9,051
	1,600	-	1,600	4,000
	<u>297,719</u>	<u>-</u>	<u>297,719</u>	<u>277,232</u>
Total income and endowments	356,718	11,660	368,378	346,701
Expenditure on:				
Employee costs				
Salaries/wages	93,219	7,493	100,712	137,661
Staff training	-	-	-	950
Temporary staff	31,761	-	31,761	22,648
	<u>124,980</u>	<u>7,493</u>	<u>132,473</u>	<u>161,259</u>
Motor and travel costs				
Vehicles - General costs	12,627	-	12,627	8,917
Travel and subsistence	-	-	-	3,834
	<u>12,627</u>	<u>-</u>	<u>12,627</u>	<u>12,751</u>
Premises costs				
Rent	122,200	-	122,200	109,239
Rates	13,530	-	13,530	11,783
Light, heat and power	11,383	-	11,383	6,084
Premises repairs and maintenance	10,583	-	10,583	9,496
Other premises costs	1,828	-	1,828	2,407
	<u>159,524</u>	<u>-</u>	<u>159,524</u>	<u>139,009</u>
General administrative costs, including depreciation and amortisation				
Depreciation of	10,100	-	10,100	8,582
Bank charges	249	-	249	252

Detailed Statement of Financial Activities

Equipment expensed	1,098	-	1,098	659
General insurances	1,074	-	1,074	1,030
Postage and couriers	142	-	142	2,237
Software, IT support and related costs	540	-	540	683
Stationery and printing	1,197	-	1,197	499
Sundry expenses	17,910	-	17,910	12,700
Telephone, fax and broadband	4,797	-	4,797	3,271
	<u>37,107</u>	<u>-</u>	<u>37,107</u>	<u>29,913</u>
Legal and professional costs				
Accountancy and bookkeeping	1,660	-	1,660	1,420
Consultancy fees	10,075	-	10,075	-
Management charges	-	-	-	9,364
Other legal and professional costs	805	-	805	1,067
	<u>12,540</u>	<u>-</u>	<u>12,540</u>	<u>11,851</u>
Total of expenditure of other costs	<u>346,778</u>	<u>7,493</u>	<u>354,271</u>	<u>354,783</u>
Total expenditure	346,778	7,493	354,271	354,783
Net gains on investments	-	-	-	-
	<u>9,940</u>	<u>4,167</u>	<u>14,107</u>	<u>(8,082)</u>
Net income/(expenditure)				
Net income/(expenditure) before other gains/(losses)	9,940	4,167	14,107	(8,082)
Other Gains	-	-	-	-
	<u>9,940</u>	<u>4,167</u>	<u>14,107</u>	<u>(8,082)</u>
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward	61,167	7,493	68,660	76,742
Total funds carried forward	<u>71,107</u>	<u>11,660</u>	<u>82,767</u>	<u>68,660</u>