

FREE THE CHILDREN UK

England & Wales · Charity number 1138645

Details

Other names	WE CHARITY
Status	Registered
Legal form	Charitable company
Company number	07306686
Registered	2010-10-28
Register	View on the Charity Commission register

Contact

Address 1-4 Kings Parade
Lower Coombe Street
Croydon
CR0 1AA

Phone 07720287516

Email ukyouth@we.org

Website <https://www.we.org/gb/>

Activities

Objects: 4 THE CHARITY'S OBJECTS ("OBJECTS") ARE SPECIFICALLY RESTRICTED TO THE FOLLOWING: (1) TO ADVANCE IN LIFE AND HELP YOUNG PEOPLE BY PROVIDING SUPPORT AND ACTIVITIES WHICH DEVELOP THEIR SKILLS, CAPACITIES AND CAPABILITIES TO ENABLE THEM TO PARTICIPATE IN SOCIETY AS MATURE AND RESPONSIBLE INDIVIDUALS. (2) TO RELIEVE POVERTY, ADVANCE EDUCATION, RELIEVE SICKNESS AND PROMOTE AND PROTECT GOOD HEALTH. (3) SUCH OTHER SIMILAR PURPOSES AS ARE EXCLUSIVELY CHARITABLE ACCORDING TO THE LAWS OF ENGLAND AND WALES, PROVIDED THAT IT WILL NOT INCLUDE ANY PURPOSE WHICH IS NOT CHARITABLE IN ACCORDANCE WITH SECTION 7 OF THE CHARITIES AND TRUSTEE INVESTMENT (SCOTLAND) ACT 2005, AS THE TRUSTEES MAY FROM TIME TO TIME DETERMINE.

Activities: The charity?s activities are: ? To advance in life and help young people by providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.? To relieve poverty, advance education, relieve sickness and promote and protect good health.

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£9,348	£27,232	-	-
2024-08-31	£9,530	£7,207	-	-
2023-08-31	£5,003	£257,268	-	-
2022-08-31	£213,847	£121,345	-	-
2021-08-31	£147,300	£635,636	-	-

Trustees

Name	Role	Appointed
Lord Rumi Verjee	Chair	2015-02-12
BRENT POLLARD		2026-01-28
CRAIG BURKINSHAW		2013-07-29
Jehad Verjee		2026-01-28

FREE THE CHILDREN UK

England & Wales - Charity number 1138645

Accounts

Company Registration Number: 07306686

Charity Registration Number: 1138645

Scottish Charity Registration Number: SC045815

**FREE THE CHILDREN (UK), T/A WE CHARITY
TRUSTEES REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

WE CHARITY
FOR THE YEAR ENDED 31 AUGUST 2022
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WE CHARITY
FOR THE YEAR ENDED 31 AUGUST 2022
COMPANY INFORMATION

COMPANY INFORMATION

TRUSTEES	Lord Rumi Verjee (Chair) Craig Burkinshaw Neil Roskilly Carlos Pinto
REGISTERED OFFICE ADDRESS	Kings Parade Lower Coombe Street Croydon CRO 1AA
COMPANY NUMBER	07306686 (England and Wales)
CHARITY NUMBER	1138645 (England and Wales)
OSCR NUMBER	SC045815 (Scotland)
BANK	Barclays Bank 7-11 St. John's Hill London SW11 1TR
INDEPENDENT EXAMINER	Crowe U.K. LLP Aquis House 49 – 51 Blagrove Street Reading RG1 1PL
SOLICITORS	Harbottle and Lewis LLP 7 Savoy Court London WC2R 0EX
ACCOUNTANTS	Bryden Johnson Limited Kings Parade Lower Coombe Street Croydon CRO 1AA

WE CHARITY
FOR THE YEAR ENDED 31 AUGUST 2022
TRUSTEES REPORT

The Trustees, who are also Directors of the Charity for the purposes of the Companies Act 2006, present their report and the financial statements for the 12-month period which began 1st September 2021 and ended 31st August 2022.

The charitable company has prepared its financial statements in accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015). The financial statements also comply with the governing document of the charitable company.

Free The Children (UK) (registered charity number 1138645 in England and Wales, and SC045815 in Scotland) is a charity which operates programmes both domestically and internationally, in a manner that is intended to be interrelated and mutually reinforcing. Its overarching mandate is to help young people fulfil their potential to be agents of change.

The Charity went through a rebranding and is now commonly known as WE Charity and will be referred to as such throughout the rest of the trustees' report.

WE Charity was incorporated on 7th July 2010 and granted charitable status on 28th October 2010.

AIMS AND OBJECTIVES

The Charity's aims and objectives as set out in the company's memorandum of association and articles are:

- To advance in life and help young people by providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.
- To relieve poverty, advance education, relieve sickness and promote and protect good health.

WE Charity is a non-denominational and non-partisan organisation. There were no changes in the Charity's main objectives in the period under review.

DETAILS OF THE MAIN OBJECTIVES FOR THE PERIOD 2021-2022

- To offer the Charity's programme virtually to domestic and global audiences, and engage students in a deeper understanding of issues through digital resources and to aid teachers in incorporating them in their curriculum
- To continue to engage and expand our reach to youth through globally accessible online programs, events and celebrations, focusing on social action, well-being and the wider WE Schools program, and to further engage students and teachers via grant opportunities
- To continue the support of international projects in Kenya by providing financial aid to holistic and sustainable development programs / projects as well as key flagship projects supporting the communities

The mission of the Charity is to empower all people to create change in the world, locally and globally, achieving transformative outcomes for themselves and others.

WE empowers positive change by providing necessary tools and resources that create sustainable impact. We do this domestically through WE Schools, and through international development programming.

WE CHARITY

FOR THE YEAR ENDED 31 AUGUST 2022

TRUSTEES REPORT (CONTINUED)

TRUSTEES' REPORT ANNUAL REVIEW

During this period under review the Charity's operations and programs were considerably simplified following the scale down of operations in the previous period. The Charity's focus was on the continued offering of its WE Schools program for teachers and youth in a virtual format, as well as on providing funds in support of international development and sustainability projects, with an emphasis on Kenya.

We continued to see successes with both our domestic and international programs, despite the scaled back operations and the ongoing challenges presented by the pandemic faced by us, as well as our beneficiaries, donors, and funding partners.

Domestic Programs

The Charity's core objective is to ensure that all young people are free to achieve their fullest potential as agents of change. We believe that young people will create positive change locally and globally once they are free from the notion that they are powerless to make a difference.

Through our online domestic service-learning program the Charity seeks to help youth realise their full potential as compassionate and active members of their local and global communities and empower them to make a difference. WE Schools is reigniting the fundamental purpose of education: moving students to want to learn, preparing them with the life skills to better the world and empowering them to forge their own paths to success. Additionally, we provide professional development programming, curriculum-enhancing classroom tools, and well-being resources to teachers, to enable them to broaden their skillset, create a safe and inclusive learning environment and promote their own well-being and that of their students and communities.

During the period under review, we have continued to offer a wide range of online educational resources and have concentrated on providing regular virtual events to both teachers and students, available live and on demand. All our resources are in a digital format, available for free and housed on our website, including on our virtual learning platform the 'WE Virtual Learning Center'. They are designed to be used at home, as well as in the classroom.

Our resources are designed to enable students to learn skills in leadership, critical thinking, social emotional learning, and argument formation, amongst others. These are transferable 21st century life skills that are often missed by traditional models of education.

Notable achievements from our WE Schools program and support the Charity provided for schools, young people, and families across the UK for the 2021/22 year include:

- A 'WE Volunteer' grant opportunity for UK schools, which allowed schools to apply with their ideas for volunteering efforts they were keen to undertake. Successful applicants were provided funds to support them in carrying out their social-action plans to better their local and/or global communities
- A UK-targeted media campaign to increase reach and drive teachers and schools to our WE Virtual Learning Center in order to allow them to benefit from our free service-learning and mental health resources
- A strong number of users and teachers signing up and active on our WE Virtual Learning Center despite the continued scaled back operational model with a total of 1,974 UK teachers registered to the WE Virtual Learning Center, a total of 15,311 users subscribed to our monthly newsletter and a total of 8,302 resources downloads to date
- A total of 14 virtual events held in the 2021/22 academic year, live and on demand, including 7 youth events (Global Classrooms and End of Year Celebration) for schools and 7 educator events (Professional Development sessions, Summits, Well-being events) for teachers. The events brought together experts, advocates, and everyday heroes to speak on a range of issues, including mental health and well-being, social-emotional learning, social entrepreneurship, the environment and sustainability, and many more

International Programs

In pursuit of its charitable aims the Charity supports international development and sustainability programs, focused on Kenya, by providing funds towards development projects. During the period under review we have continued to provide this support in co-operation with WE Charity (Canada), a charity registered and incorporated in Canada and with whom WE Charity shares similar aims and objectives, due to the extension of their closure date. Looking ahead the Charity will continue

WE CHARITY
FOR THE YEAR ENDED 31 AUGUST 2022
TRUSTEES REPORT (CONTINUED)

to support key flagship projects by donating funds to Free the Children in Kenya directly.

With support from individual donations received in fiscal year 2020/21, the Charity was able to provide £43,338 in funds towards international development projects during this period, with a focus on supporting communities in Kenya. Noteworthy progress has been made to help these communities we support to become beacons of sustainability and development.

Notable achievements from the international projects in Kenya that the Charity supported through funding provided during the 2021/22 fiscal year include:

- The communities the Charity supported over the past years through the 'WE Villages' international development program successfully transitioned from the program to become self-sustaining

WE Charity Future Plans - 2022/23 Fiscal Year

The Charity's focus will be on ensuring the sustainability of our domestic programs and supporting international projects in Kenya through grants. During the period we have continued to see great success with our simplified and scaled down operational model and a digital-only WE Schools program that schools, teachers and students were able to benefit from during a time where the need for virtual learning as a result of the COVID-19 pandemic was heightened. In the 2022/23 fiscal year the Charity's Trustees will continue to explore ways of simplifying the organization and enhancing efficiency whilst continuing to pursue its stated charitable aims both domestically and internationally.

Public Benefit

The Charity Commission in its Charities and Public Benefit Guidance requires that there are two key principles to be met to show that an organisation's aims are for the public benefit. Firstly, there must be an identifiable benefit. Second, the benefit must be to the public or a section of the public.

The Trustees confirm that in setting the Charity's objectives and in planning its activities, they have had due regard to the Charity Commission's guidance on public benefit and that they will continue to ensure each year that they will consider how the Charity continues to meet the public benefit objectives outlined of the Charities Act 2011.

The organisation's goals and objectives continue to be as set out in the company's memorandum of association and articles:

- To advance in life and help young people by providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.
- To relieve poverty, advance education, relieve sickness and promote and protect good health.

The Charity will deliver on these goals and objectives in the future by providing teachers and young people in the UK ongoing access to the WE Schools program digitally for free whilst also continuing to internationally support sustainability and key flagship projects with a focus in Kenya.

The Trustees are satisfied that the Charity meets with the requirements and conforms with the Act's definition of a charity meeting all of the key elements of the two key principles.

Financial Review

The results of the period set forth on pages 9-10 are the results of WE Charity. The Charity continues to be in a healthy position in respect of its unrestricted funds, which will ensure the Charity's continued ability to maintain its simplified operating model for the foreseeable future. The gross revenues for the period totalled £213,847 of which £21,028 were restricted funds for domestic and international programs and £192,819 were general funds. The Charity's principal source of general funding in the period derived from a gift aid claim on historical donations whereas the principal source of restricted income in the period derived from individual donors. During the period under review, the Charity spent £121,345 on charitable activities, which includes project grants provided totalling £43,338.

As of 31st August 2022, the general funds stood at £584,825 and the restricted funds at £20,117.

WE CHARITY
FOR THE YEAR ENDED 31 AUGUST 2022
TRUSTEES REPORT (CONTINUED)

Structure, Governance and Management

Governing Document

WE Charity's governing document is its Memorandum and Articles of Association. We Education Ltd. (registered in England and Wales under registration number 08526524) is a trading subsidiary wholly owned by Free The Children (UK).

Directors and Trustees

The Directors of the Charitable Company (The Charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as Trustees.

The Charity may appoint a new Trustee by ordinary resolution. Potential new Trustees may be recommended by members of the existing Board on the basis that the candidate has the required specialist skills needed. Newly appointed Trustees are provided with an information pack about the Charity and are given a briefing, as well as details concerning their duties and responsibilities as custodians of the Charity.

Related Parties

WE Charity and WE Charity (Canada) are related parties that share the same founders and the same aims and objectives. They are independent charities with separate governance structures and trustees.

Grant Making

WE Charity makes grants to WE Charity (Canada), a partner charity, in order to fulfil the objectives of the WE Villages programme. The Trustees award grants only after careful considerations on the merits of each application and after ensuring that the grants provided meet the stated objectives of the Charity.

Formal grant request procedures are in place which outline funding required and deliverables to the partner charities. Grants to WE Charity (Canada) are monitored through programme audits contracted on a periodic basis to ensure the quality of the programmatic deliverables and the use of funds. Programme delivery and use of funds is audited in Canada and verified in the UK.

Reserves Policy

WE Charity holds financial reserves to be applied to future activities in a number of categories:

- General – Available to be applied, at the discretion of the Trustees, to any of WE Charity's charitable purposes.
- Designated – Those funds which the Trustees have set aside from general funds for the benefit of the particular project.
- Restricted – To be applied to the specific purpose(s) intended by the donor.

The policy of the Charity is to have target free reserves at a level equivalent to three months expenditure on these items. The Trustees consider that free reserves at this level will ensure that they will be able to continue the Charity's current activities and scale down model until regular fundraising activities resume.

As at 31 August 2022, the Charity held total funds of £584,825 available for general purposes of the Charity which represents more than 1 years' expenditure. This is above the target set, and the Trustees consider this sufficient based on a review of the 12-month cash flow forecast which shows the reserves will be met for the coming year to ensure the ongoing sustainability of our charitable work. Restricted funds stood at £20,117 and there are no designated funds.

Going Concern

In assessing going concern, the Trustees have taken into account the Charity's continued scaled back operational model, which includes ongoing access and online virtual delivery of the WE Schools programs supported by our global support team [WE Charity (Canada)] until its closure within fiscal year 2022/23 and the WEilbeing Foundation as its successor entity, and continued support of international projects focused on holistic and sustainable development programs in Kenya, no WE Days for the foreseeable future, the current cash position of the Charity, as well as funding limitations, and the cash flow forecast. After reviewing various operational and financial scenarios, the Trustees decided that the scaled back operational model continues to provide the best opportunity to ensure the following:

WE CHARITY
FOR THE YEAR ENDED 31 AUGUST 2022
TRUSTEES REPORT (CONTINUED)

- That the Charity can remain operational for the next 12 months and beyond
- That the Charity can continue to deliver on its objectives and aims by focusing on the sustainability of domestic programming (WE Schools) and international projects in Kenya
- That the Charity can sustain its operational expenses which have been significantly reduced
- That the Charity has a healthy unrestricted reserve fund to support any unexpected expenses that may arise

Based on this review and discussion, the Trustees are confident that the Charity will have sufficient funding to continue in its scaled back operational model for the future and to cover all financial liabilities moving forward.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of WE Charity 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group 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 judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The trustees report has been approved and signed on behalf of the Board by Lord Rumi Verjee.



Lord Rumi Verjee
Chairman, Free the Children (UK)

Date:

14th Dec 2022

FREE THE CHILDREN (UK), T/A WE CHARITY
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	General Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Income From:					
Voluntary income/donations & Grants	2	192,814	21,028	213,842	146,125
Other trading activities	2.1	-	-	-	30
Investment income		5	-	5	14
Total Income		192,819	21,028	213,847	146,169
Expenditure on:					
Raising funds	3	-	-	-	-
Charitable activities	3, 5	77,095	44,250	121,345	629,003
Total expenditure		77,095	44,250	121,345	629,003
Net incoming resources		115,724	(23,222)	92,502	(482,834)
Transfers					
		-	-	-	-
Net movement in funds		115,724	(23,222)	92,502	(482,834)
Reconciliation of funds:					
Fund balances brought forward		469,101	43,339	512,440	995,274
Fund balances carried forward		584,825	20,117	604,942	512,440

All of the above results are derived from continuing activities.

There are no gains or losses other than the net movement on funds stated above.

The notes 1 to 20 form part of these financial statements

FREE THE CHILDREN (UK), T/A WE CHARITY

BALANCE SHEET AT 31 AUGUST 2022

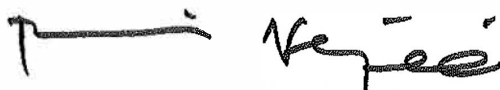
Company number 7306686

	Notes	£	2022 £	2021 £
FIXED ASSETS				
Tangible assets	9		-	-
Investments	10		1	1
CURRENT ASSETS				
Debtors	11	131,453		126,846
Cash at bank and in hand		<u>486,899</u>		<u>410,052</u>
		618,351		536,898
CREDITORS: amounts falling due within one year	12	<u>(13,411)</u>		(24,459)
NET CURRENT ASSETS			<u>604,941</u>	<u>512,439</u>
NET ASSETS			<u>604,942</u>	<u>512,440</u>
FUNDS				
Restricted	17, 18		20,117	43,339
Unrestricted - General	16		<u>584,825</u>	<u>469,101</u>
TOTAL FUNDS			<u>604,942</u>	<u>512,440</u>

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit of its accounts for the period in question in accordance with Section 476 of the Act. The trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 386 of the Act, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2021 and of its deficit for the period then ended in accordance with the requirements of Sections 394 and 395 of the Act, and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



Lord Rumi Verjee

Chairman, Free The Children (UK)

The notes 1 to 21 form part of these financial statements.

FREE THE CHILDREN (UK), T/A WE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

Free The Children (UK), trading as WE Charity is a charitable company registered in England and Wales with registration number 07306686. WE Charity is also a registered charitable company in Scotland with registration number SC045815. WE Charity is a children's charity and is unique in that it operates programs both domestically and internationally, in a manner that is intended to be interrelated and mutually reinforcing. Our overarching mandate is to help children and young people fulfil their potential to be agents of change.

WE Charity meets the definition of a public benefit entity under the guidance issued by the Charity Commission.

1. ACCOUNTING POLICIES

a) Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The charity is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The Trustees have considered the Charity's scaled down operational model based on 1) continued online virtual delivery of all WE Schools programs and sustainability of international projects, supported by the WEWellbeing Foundation and the WE Charity Foundation [successor entities to WE Charity (Canada)], 2) no execution of WE Days for the upcoming year, 3) the current cash position of the Charity 4) the funding pipeline, and 5) the cash flow forecast. After careful review the Trustees believe there are no material uncertainties about the Charity's ability to continue in its scaled down operational model, and therefore the accounts have been prepared under the going concern basis.

b) Going concern

During the period under review, WE Charity's principal source of general funding was a gift aid claim on historical donations and donations from individual supportive donors. In assessing going concern, the Trustees have considered the opening unrestricted fund balance for the next period and the cashflow forecast for the fiscal year 2022/23 and beyond. The cashflow forecast was prepared on the basis of a further scaled down operational state, further reduced operating expenses. Following the review of different operational and financial scenarios, the Trustees decided a further scaled back state will best allow the Charity to meet its objectives and maintain financial health. Taking into account the assessment of funds and cashflow, the Trustees are confident that the Charity will have sufficient funding to continue in its scaled back operational state for the foreseeable future, and to cover its liabilities in the future.

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES (continued)

c) Income

Voluntary income including donations, gifts, legacies or grants from various individuals, corporations and charitable foundations are recognised when there is entitlement, probability of receipt and when the amount can be measured with sufficient reliability. Such income is only deferred when:

- i) The donor specifies that the grant or donation must only be used in future accounting periods.
- ii) The donor has imposed conditions which must be met before the Charity has unconditional entitlement.

Donated goods or services received are included in the Statement of Financial Activities as both intangible income and cost at a value estimated by the Trustees.

All incoming resources are reported gross before expenses.

d) Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charitable company to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in furtherance of the charitable objectives of the Charity. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has met the condition attached to the grant and the Trustees are satisfied they have done so.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

i) Support costs

Overhead and support costs have been allocated across activity categories on a basis consistent with the use of the resource, e.g. salaries allocated on the basis of estimated time spent and office overheads by estimated usage.

ii) Raising funds

Included in this category are directly associated costs of fundraising consultants.

iii) Charitable activities

This represents all direct costs (including grants) associated with identified charitable activities together with attributed support costs. The majority of costs noted under charitable activities in the period under review are related to the return of unspent restricted funds.

iv) Governance

This represents all costs involving public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related with statutory audit and constitutional requirements.

FREE THE CHILDREN (UK), T/A WE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES (continued)

e) Taxation

WE Charity, as a registered charity, is potentially exempt from taxation on income and gains falling within section 466-493 of the Corporation Taxes Act 2010 and section 256 of the Taxation of Chargeable Gain Act 1992 to the extent these are applied for charitable purposes.

f) Tangible fixed assets

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition. Tangible fixed assets are capitalised above £1,000.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rate applicable for Office equipment and furniture is 25%.

g) Financial Assets and Liabilities

WE Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise trade and other debtors. Financial liabilities held at amortised cost comprise, trade and other creditors.

Investments in subsidiary undertakings are held at cost less impairment. An analysis of assets and liabilities is set out in Note 14.

h) Funds

i) General funds

General funds are donations and other incoming resources receivable or generated for the objects of the Charity without specified purpose.

ii) Designated funds

Designated funds are those funds which the Trustees have set aside from general funds for the benefit of a particular project.

iii) Restricted funds

Restricted funds are specifically donated to the Charity where the donor has specified they be used for the benefit of a specific project or for a particular administrative cost.

i) Debtors

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

j) Creditors and provisions

Creditors and provisions are recognised when 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.

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES (continued)

k) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value

l) Pensions

The charity contributes to the personal pension plans of employees. Contributions are charged to the Statement of Financial Activities as they fall due. Total contributions in the year were £1,033 (2021: £3,913). There were outstanding contributions at the balance sheet date of £201 (2021: £189).

m) Judgements and estimates

In the application of the Charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. The principal accounting policies, as set out above, have all been applied consistently throughout the current reporting period and the preceding year.

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

2. DONATIONS AND GRANTS

	General Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
Donations and grants	192,814	21,028	213,842	146,125
Gifts in Kind	-	-	-	-
	<u>192,814</u>	<u>21,028</u>	<u>213,842</u>	<u>146,125</u>
2021 comparatives	<u>102,786</u>	<u>43,339</u>	<u>146,125</u>	-

2.1 Sponsorship income

	2022 £	2021 £
Other sponsorship income	<u>0</u>	<u>30</u>
	<u>0</u>	<u>30</u>

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

3. RESOURCES EXPENDED

During the period the Charity made two grants (£40,000 and £3,339) to WE Charity (Canada) towards international development projects in Kenya. The Charity additionally made four grants of £150 to UK schools who won a WE Volunteer grant competition the Charity held.

During the previous period resources expended include unspent restricted funds returned to funders, in line the Charity's move to a scaled back operational model.

	Event Production Costs £	Grants and other Project costs £	Other direct costs £	Support costs £	Total 2022 £	Total 2021 £
Expenditure on raising funds						
Fundraising cost	-	-	-	-	-	-
Charitable activities						
WE day Event costs	-	-	-	-	-	(137)
International Projects - Grants	-	43,338	-	-	43,338	214,051
Be the Change – UK School tours	-	-	-	-	-	8,679
Boots	-	-	-	-	-	432
VA Scholarship Trip	-	-	-	-	-	28,259
#iwill Fund 1	-	-	-	-	-	6,400
#iwill Fund 2	-	-	-	-	-	3,014
Domestic – WE Schools	-	600	312	-	912	0
Virgin Passport To Change	-	-	-	-	-	1,693
Unilever - Dove	-	-	-	-	-	(419)
Unilever Persil	-	-	-	-	-	(308)
The Queen's Commonwealth Trust	-	-	-	-	-	10,389
Governance	-	-	-	-	-	74,467
Other Costs	-	-	-	53,820	53,820	282,483
Total Charitable activities	-	43,938	312	77,095	121,345	629,003
Total resources expended	-	43,938	312	77,095	121,345	629,003
<i>2021 Comparatives</i>	-	21,535	173,110	434,358	629,003	-

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

4. ALLOCATION OF SUPPORT COSTS AND OVERHEADS

Support costs are those expenses incurred in connection with the administration and operation of the Charity. For the period under review all support costs were allocated against unrestricted funds. An analysis of how support costs were allocated is given below:

	Salaries & related costs	Office overhead	Total 2022	Total 2021
	£	£	£	£
Be the Change - UK school tours QT	-	-	-	2,442
Be the Change - UK school tours VA	-	-	-	7,544
Virgin Passport To Change	-	-	-	2,236
Boots	-	-	-	2,941
#iwill Fund 1	-	-	-	8,785
#iwill Fund 2	-	-	-	5,153
Unrestricted funds	44,932	32,163	77,095	405,255
Total support costs	<u>44,932</u>	<u>32,163</u>	<u>77,095</u>	<u>434,358</u>
<i>2021 comparatives</i>	<u>371,083</u>	<u>63,275</u>	<u>434,358</u>	<u>-</u>

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

5. ANALYSIS OF CHARITABLE EXPENDITURE BY FUND

	General funds	Restricted funds	Total 2022	<i>Total</i> 2021
	£	£	£	£
WE Day	-	-	-	(137)
International projects	-	43,338	43,338	214,051
Be The Change - UK Schools tours	-	-	-	8,679
Virgin Passport To Change	-	-	-	1,693
Boots	-	-	-	432
VA Scholarship Trip	-	-	-	28,259
#iwill Fund 1	-	-	-	6,400
#iwill Fund 2	-	-	-	3,014
Domestic – WE Schools	-	912	912	0
Queen's Commonwealth Trust	-	-	-	10,389
Unilever - Persil	-	-	-	(308)
Unilever - Dove	-	-	-	(419)
Other costs	77,095	-	77,095	356,950
Total charitable expenditure	77,095	44,250	121,345	629,003
<i>2021 Comparatives</i>	<i>356,950</i>	<i>272,053</i>	<i>629,003</i>	<i>-</i>

6. GOVERNANCE COSTS

	2022 £	2021 £
Auditors fees - statutory audit in relation to prior year	-	15,000
Independent Examiners fee	4,800	-
Non audit fees in relation to current / prior year	2,340	936
Other Professional Fees	16,135	58,531
	23,275	74,467

The significant professional fees in the prior period were due to the move to a scaled back operational model, including the related legal fees which enabled a smooth transition and the outsourcing of finance support.

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

7. NET INCOME FOR THE PERIOD BEFORE TRANSFERS

This stated after charging:	2022 £	2021 £
Auditors remuneration	-	15,000
Independent Examiners fee	4,800	-
Non audit fees	2,340	936
Depreciation	<u>-</u>	<u>899</u>

8. STAFF COSTS

	2022 £	2021 £
Wages and salaries	44,872	339,753
Social security costs	(972)	27,417
Employer's pension contributions	<u>1,033</u>	<u>3,913</u>
	44,933	371,083
Other costs of employment	<u>0</u>	<u>827</u>
	<u>44,933</u>	<u>371,910</u>

None of the Trustees of the Charity were remunerated for their time or reimbursed for expenses incurred in carrying out their duties.

No employee received emoluments in excess of £60,000 (2021: nil)

The average number of employees during the period was 1 (2021: 4).

Redundancy payments of £nil were made in the year (2021: £125,686).

The total remuneration of key management personnel during the year was £44,933 (2021: £284,003).

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

9. TANGIBLE FIXED ASSETS

	Office Equipment & furniture £
Cost	
At 1 September 2021	
Additions	<u>8,938</u>
At 31 August 2022	<u>8,938</u>
Depreciation	
At 1 September 2021	
Charge for the year	<u>8,938</u>
At 31 August 2022	<u>8,938</u>
Net book value	
At 31 August 2022	<u>—</u>
At 31 August 2021	<u>—</u>

All fixed assets are used for activities in furtherance of the charity's objects or in support thereof.

10. INVESTMENT IN SUBSIDIARY COMPANY

	2022 £	2021 £
Investment	<u>1</u>	<u>1</u>

WE Charity owns 100% of the ordinary share capital of its trading subsidiary We Education Limited. A summary of the subsidiary undertakings results for the period are given below:

	2022 £	2021 £
Gross Income	1	1,131
Gross expenditure	<u>(2,895)</u>	<u>(6,634)</u>
Net Loss for the period	<u>(2,894)</u>	<u>(5,503)</u>
Total Assets	8,644	10,239
Total Liabilities	<u>(121,936)</u>	<u>(120,636)</u>
Net Liabilities	<u>(113,292)</u>	<u>(110,397)</u>

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

11. DEBTORS

	2022	2021
	£	£
Other debtors	8,487	-
Amount due from subsidiary	120,636	120,636
Prepayments	<u>2,330</u>	<u>6,210</u>
	<u>131,453</u>	<u>126,846</u>

12. CREDITORS

	2022	2021
	£	£
Trade creditors	2,710	2,970
Other creditors	201	189
Accruals	<u>10,500</u>	<u>21,300</u>
	<u>13,411</u>	<u>24,459</u>

13. DEFERRED INCOME

	2022	2021
	£	£
Deferred income brought forward	-	-
Income deferred in the period	-	-
Released in the period	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

14. FINANCIAL ASSETS AND LIABILITIES

	2022	2021
	£	£
Financial assets measured at amortised cost	<u>486,899</u>	<u>410,052</u>
Financial liabilities measured at amortised cost	<u>(13,411)</u>	<u>(24,459)</u>

There is income of £5 (2021: £14) in respect of these financial instruments.

FREE THE CHILDREN (UK), T/A WE CHARITY
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 AUGUST 2022

15. ANALYSIS OF NET ASSET BETWEEN FUNDS

	Unrestricted Funds General £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	1	-	1
Current assets	598,235	20,117	618,351
Current liabilities	<u>(13,411)</u>	<u>-</u>	<u>(13,411)</u>
	<u>584,825</u>	<u>20,117</u>	<u>604,941</u>
<i>2021 Comparative</i>	£	£	£
<i>Tangible fixed assets</i>	<i>1</i>	<i>-</i>	<i>1</i>
<i>Current assets</i>	<i>493,559</i>	<i>43,339</i>	<i>536,898</i>
<i>Current liabilities</i>	<u><i>(24,459)</i></u>	<u><i>-</i></u>	<u><i>(24,459)</i></u>
	<u><i>469,101</i></u>	<u><i>43,339</i></u>	<u><i>512,440</i></u>

16. GENERAL FUNDS

	2022 £	2021 £
As at 1 September 2021	469,101	604,879
Movement in the period	115,724	(254,121)
Transfer from restricted fund	<u>-</u>	<u>118,343</u>
	<u>584,825</u>	<u>469,101</u>

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

17. RESTRICTED FUNDS

	<i>Balance as At 1 September 2021</i>	<i>Incoming funds</i>	<i>Outgoing funds</i>	<i>Transfers</i>	<i>Balance as At 31 2022</i>
	£	£	£	£	£
Domestic programme funds					
WE Schools	-	20,000	912	-	19,088
WE Villages					
WE Villages - Kenya	40,901	"-"	40,901	-	0
WE Villages - General/Others	2,438	1,028	2,437	-	1,029
Total funds	43,339	21,028	44,250	0	20,117

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

COMPARATIVE RESTRICTED FUNDS

	<i>Balance as At 1 September 2020</i>	<i>Incoming funds</i>	<i>Outgoing funds</i>	<i>Transfers</i>	<i>Balance as At 31 August 2021</i>
	£	£	£	£	£
Domestic programme funds					
Be the Change - Virgin	6,671	-	7,572	901	-
Be the Change - Queens Trust	2,008	-	2,008	-	-
Be the Change - Virgin Sustainability Grant Initiative	-	-	(901)	(901)	-
Boots	432	-	432	-	-
#iwill Fund 1	6,400	-	6,400	-	-
#iwill Fund 2	3,014	-	3,014	-	-
Queen's Commonwealth Trust	10,389	-	10,389	-	-
Virgin Passport To Change	1,693	-	1,693	-	-
Unilever - Dove	-	-	(419)	(419)	-
Unilever - Persil	118,995	-	(308)	(119,303)	-
WE Day UK	(1,536)	-	(137)	1,399	-
WE Villages					
WE Villages - Kenya	29,577	40,901	29,577	-	40,901
WE Villages - India	91,736	-	91,736	-	-
WE Villages - Ecuador	692	-	692	-	-
WE Villages - Sierra Leone	1,452	-	1,452	-	-
WE Villages - General/Others	90,594	2,438	90,594	-	2,438
Virgin Scholarship Trip	28,278	-	28,259	(20)	-
Total funds	390,395	43,339	272,053	(118,343)	43,339

DOMESTIC PROGRAMME FUNDS

The domestic programme funds in the period under review represent monies expended on online UK schools programming designed to engage and motivate students to create a better world and on volunteer grants for schools.

INTERNATIONAL PROGRAMME FUNDS

The funds listed under this heading relate to monies specifically received towards international development projects with a focus on supporting communities in Kenya.

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	General Funds £	Restricted Funds £	Total 2021 £
Income From:				
Voluntary income/donations & Grants	2	102,786	43,339	146,125
Other trading activities	2.1	30	-	30
Investment income		14	-	14
Total Income		102,830	43,339	146,169
Expenditure on:				
Raising funds	3	-	-	-
Charitable activities	3, 5	356,950	272,052	629,003
Total expenditure		356,950	272,052	629,003
Net incoming resources		(254,120)	(228,713)	(482,834)
Transfers		118,343	(118,343)	-
Net movement in funds		(135,777)	(347,056)	(482,834)
Reconciliation of funds:				
Fund balances brought forward		604,879	390,395	995,274
Fund balances carried forward		469,102	43,339	512,440

All of the above results are derived from continuing activities.

There are no gains or losses other than the net movement on funds stated above.

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

18. CONTROL

The Charity is ultimately controlled by the members.

19. COMPANY STATUS

WE Charity is a company limited by guarantee. The members are liable for the debts and liabilities of the Charity to an amount not exceeding £10 in the event of a winding up during membership or one year afterwards.

20. RELATED PARTY TRANSACTIONS

During the period the Charity made grants totaling £43,338 for international projects to WE Charity (Canada) (2021: £223,730). WE Charity (Canada) is a registered charity in Canada that shares the same objectives and purpose as WE Charity. They primarily administer and co-ordinate the international development programs. As WE Charity (Canada) is due to close in 2023, the Charity will act as a grant making body for one of WE Charity (Canada)'s successor entities, Free the Children in Kenya, which works on the co-ordination of international development projects in Kenya.

WE Charity's subsidiary, We Education Limited (Company Registration Number: 08526524) makes a gift aid donation to the Charity of its taxable profits each year. At the end of this period, there was no balance transferred due to the company's carried forward loss from previous periods.

The Trustees made donations of £nil to the Charity during the period (2021: £40,000).

21. POST BALANCE SHEET EVENTS

After the financial year end a decision was made by the board to waive the repayment of the amounts due from the Charity's subsidiary, We Education Limited (WEL), given the inability of WEL to repay these amounts and agreed to sign a Deed of Release with WEL in respect of the amounts due.

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS AND TRUSTEES OF FREE THE CHILDREN

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 August 2022, which are set out on pages 8 – 25.

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charitable company's trustees as a body in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charitable company's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body for my independent examiner's work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ('the 2005 Act'), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 ('the 2006 Act'). You are satisfied that the accounts of the Company are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the Company 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 the Company's accounts carried out under section 44 (1) (c) of the 2005 Act and section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Company is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered member of the Institute of Chartered Accountants in England and Wales which is one of the listed bodies.

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

1. accounting records were not kept as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulations; or
2. the accounts do not accord with those records with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (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 accounts to be reached.



Jacqueline Mitchell FCA
CROWE U.K. LLP
Chartered Accountants
Aquis House
49 – 51 Blagrove Street
Reading

Date: 11 January 2023

FREE THE CHILDREN UK

England & Wales - Charity number 1138645

Accounts

Company Registration Number: 07306686

Charity Registration Number: 1138645

Scottish Charity Registration Number: SC045815

**FREE THE CHILDREN (UK), T/A WE CHARITY
TRUSTEES REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

WE CHARITY
FOR THE YEAR ENDED 31 AUGUST 2021
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WE CHARITY
FOR THE YEAR ENDED 31 AUGUST 2021
COMPANY INFORMATION

COMPANY INFORMATION

TRUSTEES	Lord Rumi Verjee (Chair) Craig Burkinshaw Neil Roskilly Pauline Latham (resigned 27 th June 2021) Carlos Pinto Michael Comish (resigned 25 th January 2021)
PRINCIPAL OFFICE ADDRESS:	14 Bowden Street London SE11 4DS www.we.org
REGISTERED OFFICE ADDRESS	Kings Parade Lower Coombe Street Croydon CR0 1AA
COMPANY NUMBER	07306686 (England and Wales)
CHARITY NUMBER	1138645 (England and Wales)
OSCR NUMBER	SC045815 (Scotland)
BANK	Barclays Bank 7-11 St. John's Hill London SW11 ITR

WE CHARITY
FOR THE YEAR ENDED 31 AUGUST 2021
COMPANY INFORMATION

AUDITOR	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
SOLICITORS	Harbottle and Lewis LLP 7 Savoy Court London WC2R 0EX
ACCOUNTANTS	Bryden Johnson Limited Kings Parade Lower Coombe Street Croydon CR0 1AA

WE CHARITY

FOR THE YEAR ENDED 31 AUGUST 2021

TRUSTEES REPORT

The Trustees, who are also Directors of the Charity for the purposes of the Companies Act 2006, present their report and the audited financial statements for the 12-month period which began 1st September 2020 and ended 31st August 2021.

The charitable company has prepared its financial statements in accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015). The financial statements also comply with the governing document of the charitable company.

Free The Children (UK) (registered charity number 1138645 in England and Wales, and SC045815 in Scotland) is a charity which operates programmes both domestically and internationally, in a manner that is intended to be interrelated and mutually reinforcing. Its overarching mandate is to help young people fulfil their potential to be agents of change.

The Charity went through a rebranding and is now commonly known as WE Charity and will be referred to as such throughout the rest of the trustees' report.

WE Charity was incorporated on 7th July 2010 and granted charitable status on 28th October 2010.

AIMS AND OBJECTIVES

The Charity's aims and objectives as set out in the company's memorandum of association and articles are:

- To advance in life and help young people by providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.
- To relieve poverty, advance education, relieve sickness and promote and protect good health.

WE Charity is a non-denominational and non-partisan organisation. There were no changes in the Charity's main objectives in the period under review.

DETAILS OF THE MAIN OBJECTIVES FOR THE PERIOD 2020-2021

- To offer the Charity's programme virtually to domestic and global audiences, and develop innovative, digital resources to engage students in a deeper understanding of issues and to aid teachers in incorporating them in their curriculum during a time when students and teachers were transitioning to virtual learning and dealing with new experiences resulting from the COVID-19 pandemic
- To continue the support of international projects throughout developing countries by supporting holistic and sustainable development programmes/projects through the 'WE Villages (formerly Adopt a Village) model' with a focus on the following areas: education, clean water and sanitation, health, alternative income and livelihood, and agriculture and food security
- To continue to engage and celebrate youth through globally accessible virtual celebrations. Further expand our reach and access to students across the UK with online programmes and events, where more students can participate in the celebration of the youth social action and WE Schools programming
- To embed trauma-informed practice, social emotional learning, and mental health literacy into WE Schools modules, providing youth and teachers with early access to resources and support to help lessen later manifestation of mental health issues

WE CHARITY

FOR THE YEAR ENDED 31 AUGUST 2021

TRUSTEES REPORT (CONTINUED)

The mission of the Charity is to empower all people to create change in the world, locally and globally, achieving transformative outcomes for themselves and others.

WE empowers positive change by providing necessary tools and resources that create sustainable impact. We do this domestically through WE Schools, and internationally through WE Villages.

WE CHARITY

FOR THE YEAR ENDED 31 AUGUST 2021

TRUSTEES REPORT (CONTINUED)

TRUSTEES' REPORT ANNUAL REVIEW

The period under review has been one of continued change and transformation for the Charity, teachers, and the youth we support. During this period the Charity simplified and considerably scaled down its operations and programmes to include a virtual WE Schools offering and continued sustainability of our international projects through WE Villages. The transition to our simplified and scaled back model, supported by our digital transformation strategy that was already underway, was achieved with measurable success, as will be evidenced in this report.

To provide our WE Villages partner communities the support they needed throughout the ongoing pandemic we also continued our focus and work on providing funds for the COVID-19 relief programme that was introduced in fiscal year 2019/20, as well as for their development and sustainability projects.

We continued to see successes with both our domestic and international programmes, despite our move to a scaled back model and the ongoing challenges presented by the pandemic faced by us, as well as our beneficiaries, donors, and funding partners.

Domestic Programmes

The Charity's core objective is to ensure that all young people are free to achieve their fullest potential as agents of change. We believe that young people will create positive change locally and globally once they are free from the notion that they are powerless to make a difference.

WE Schools

Through our online domestic service-learning programme we help youth realise their full potential as compassionate and active members of their local and global communities and empower them to make a difference. WE Schools is reigniting the fundamental purpose of education: moving students to want to learn, preparing them with the life skills to better the world and empowering them to forge their own paths to success. Additionally, we provide professional development programming, curriculum-enhancing classroom tools, and well-being resources to teachers, to enable them to broaden their skillset, create a safe and inclusive learning environment and promote their own well-being and that of their students and communities.

During the period under review, we have continued to develop a wide range of online educational resources and have placed a special focus on resources that support well-being, building resilience, and social and emotional learning. We have particularly concentrated on providing regular virtual events to both teachers and students, available live and on demand. All our resources have been housed on our website, including on the WE Schools Hub, and are designed to be used at home, as well as in the classroom. We additionally made resources available to parents and carers, to support home learning and to engage with young people most at-risk. All support options are available free to schools in a digital format as was committed to in response to the COVID-19 pandemic.

Our resources are designed to enable students to learn skills in leadership, critical thinking, social emotional learning, and argument formation, amongst others. These are transferable 21st century life skills that are often missed by traditional models of education.

WE Charity's support for schools, young people, and families across the UK for the 2020/21 year includes the below.

WE CHARITY

FOR THE YEAR ENDED 31 AUGUST 2021

TRUSTEES REPORT (CONTINUED)

- **WE Schools Hub**

Our WE Schools Hub is an online platform accessible to teachers, students, and families via our website, offering a library of educational content free of charge. The classroom resources, lesson plans and tools available are topical and curriculum-matched, all kept in one place to enable users to easily and effectively take action on local and global issues and change the world for the better. New resources are uploaded to the WE Schools Hub whenever available, this year with a focus on providing content on improving well-being.

- **Global Classrooms and Virtual Celebrations**

In replacement of in-person events, Global Classrooms are virtual events hosted for young people at secondary school level once a month during the academic year. The events allow teachers, families, and students to connect with others around the world, learn from each other and be inspired to take action on local and global issues. Schools can participate in the live events and interactive broadcasts or watch the videos on demand at their own convenience. In the 2020/21 academic year Global Classrooms brought together experts, advocates, and everyday heroes to speak on a range of issues including well-being, diversity and anti-racism, and the environment, and provided groups with additional resources to continue the conversation after the events. The final Global Classroom of the year took the opportunity to celebrate the achievements of young people and teachers participating in the WE Schools programme around the world.

- **Teacher Resources and WE Professional Development Events**

WE Charity offers a range of resources aimed at supporting teachers in working towards excellence in education and enriching their students' lives. Our teacher resources include issue-based curriculum-matched lesson plans, tools and campaigns found on our WE Schools Hub, as well as professional development events held once monthly providing virtual workshops that allow teachers to hear from subject matter experts, learn about the WE curriculum, and take part in dialogues on relevant and important topics in education. All our teacher resources help teachers address relevant social issues in their classroom and build capacity to empower their students.

- **Monthly Newsletters and Teacher Communications**

Each month during the academic year we sent out a newsletter to teachers signed up to our email communications, giving updates and information on the respective month's virtual events, relevant topical resources, and featured campaigns. The newsletter is tailored to a UK audience and aimed at guiding teachers through our WE Schools program. In the latter half of the academic year, we additionally introduced a second UK-focused email communication highlighting new resources and relevant issues to enhance our support to teachers even further.

- **WE Schools Groups**

Formed by motivated and self-directed teachers and students who are passionate about taking action, these groups come together to raise awareness (and occasionally funds) on local or global issues and causes that are important to them, leveraging our campaigns, tools and resources found on the WE Schools Hub.

WE CHARITY

FOR THE YEAR ENDED 31 AUGUST 2021

TRUSTEES REPORT (CONTINUED)

International Programmes

In pursuit of its charitable aims, WE Charity co-operated with WE Charity (Canada) during the period under review, a charity registered and incorporated in Canada and with whom WE Charity shares similar aims and objectives. WE Charity achieves its objectives with regards to its international programme by financially supporting international projects, to date initiated and carried out by WE Charity (Canada). To further this initiative, WE Charity provided grants to WE Charity (Canada), which are forwarded to the projects directly or reimburse them for expenditure for services rendered.

As WE Charity (Canada) closes in fiscal year 2021/22, the Charity will continue to co-operate on its international efforts with WE Charity (Canada)'s successor entities. These successor entities will take over the support of international projects in Kenya and Ecuador. In fiscal year 2021/22 WE Charity will provide grants to these successor entities.

WE Villages

In Asia, Africa, and Latin America, WE Charity (Canada) has implemented the WE Villages program, a holistic, effective five-pillar model built on 25 years of experience collaborating with dedicated community members and international development experts to find solutions that work. The WE Villages model is designed to address the root causes of poverty and remove the barriers to education to break the cycle of poverty. It is not a handout or single solution, but a combination of key interventions that empower a community to help themselves through five Pillars of Impact: Education, Water, Health, Food, and Opportunity. At the heart of the asset-based community development approach lies the belief that the community's own assets and resources, including the people, institutions, skills, and capabilities, are the most critical resources for development. In essence, it is an approach that seeks to build sustainable livelihoods and to break the cycle of long-term dependency to promote self-sufficiency.

As per WE Charity (Canada)'s international sustainability plan and the ultimate goal of our WE Villages programming, the majority of the communities we have supported have been transitioned this year, with projects moving to the local communities who are now set up to sustain themselves in the long term. Due to the impacts and limitations of the COVID-19 pandemic projects in some communities had to be paused in order to comply with local health mandates and ensure the safety of community members and staff.

Programme Partnerships

The Charity has been fortunate to have had many strong partners who supported our programmes for teachers and young people across the UK over the past 11 years. These programmes aim at providing the tools and educational resources to encourage and equip students to take action and create positive change in their communities at local and international level.

During fiscal year 2019/20 all partnership programmes were reviewed in light the Charity's decision to scale back operations, and, in agreement with our partners, the contracts were paused. The remaining funds were either repurposed or returned to the partner over the course of the period under review.

WE Charity's Notable Achievements

Details of the notable achievements which contributed to achieving the overall objectives of the Charity during the period to 31st August 2021 are provided below:

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TRUSTEES REPORT (CONTINUED)

1. WE Schools
 - a) Virtual and Digital Domestic Programming Data
 - b) Introduction of Well-being Resources
2. WE Villages
 - a) Impact Data
 - b) COVID-19 Relief Work

1. WE Schools

a) Virtual and Digital Domestic Programming Data

This year we developed and broadened our virtual and digital program delivery, offering 16 interactive virtual events, live and on demand, to students and teachers, providing information on a range of relevant topics, enabling meaningful discussions amongst peers, and inviting subject-matter experts to speak on global issues. Furthermore, we added new digital well-being resources to our website, and the WE Schools Hub, complementing our existing social action resources and empowering young people, teachers, and families to support their well-being and that of their communities during a time when it was needed most. All our digital programming is easily accessible and available free of charge.

Despite the scaled back operational model of the Charity in the period under review, and the minimised active outreach to schools, we have continued to see a strong number of users and teachers sign up to the WE Schools Hub and download our virtual resources:

- A total of 1,765 UK teachers are registered to the WE Schools Hub, and subscribed to receive emails and monthly newsletters engaging them with our virtual programming
- A total of 7,301 resources have been viewed or downloaded to date
- A total of 16 virtual events were held in the 2020/21 academic year, two virtual events per month between October and May, one for students (Global Classroom) and one for teachers (Professional Development)

b) Introduction of Well-being Resources

In the period under review the 'Improving Well-being' learning outcome from our learning framework has continued to be a special focus for us and has shown encouraging uptake. This outcome focuses on skills in the area of social and emotional learning and building empathy and a sense of personal responsibility in young people.

We added new well-being resources to our website and the WE Schools Hub and promoted all our well-being related resources in our email communications and newsletters, ensuring that teachers were given the relevant tools and knowledge to guide their students through these difficult times and build caring and inclusive learning environments. At the end of the school year, we highlighted Family & Caregiver resources, equipping families with information and tools to support their well-being over the summer holidays.

Our well-being resources received a significant amount of uptake this year, conveying a need for educational resources on this topic:

- April 2021 saw a surge in resource downloads compared to previous months after the addition of a new well-being resource to the WE Schools Hub, with a 155% increase compared to resource downloads in March

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TRUSTEES REPORT (CONTINUED)

- Of the 16 virtual events hosted this year, five were focused on the topics of optimal well-being, social and emotional learning, resilience, and self-care, and were the topics that received the most attention.

2. WE Villages

a) Impact Data

With support from individual donations received in fiscal year 2019/20, the Charity was able to provide £214,051 in funds towards WE Villages projects during this period. Additionally, during the 2020/21 fiscal period the Charity received £43,339 in donations towards our WE Villages projects, which will be reflected in the next statutory accounts. WE Charity (Canada) has made noteworthy progress on helping to implement development projects in WE Village communities. With all five pillars of WE Villages working together, we are confident that the communities we support can become beacons of sustainability and development. Key highlights for the period under review include:

- **Education:** setting students up for success and on the path to a bright future
 - In Kenya, 40 new classrooms were built this year, and 30 renovations to government-built classrooms were conducted
 - In Ecuador, the Gulag Community School saw the first high school graduation ever this year, with 13 students achieving their high school diploma. Of those graduates 60% passed the test to access university education in a public university
- **Water:** one of the fastest ways to lift a community out of poverty
 - In 2021 alone, over 1,500 community members now have access to clean water in Kenya as a result of new water project installations. This number will continue to grow as we complete additional water projects currently underway
- **Health:** helping families stay healthy and thrive for generations
 - Over 300,000 community members in Kenya directly engaged and trained on COVID-19 prevention, empowering rural populations to keep themselves safe early in the pandemic
- **Food:** fuelling growing minds and bright future
 - Provided approximately 2.5 million meals to Kenyan students in the 2020/21 school year, allowing them to focus on their studies. This was especially critical this year as many families face economic hardship and food insecurity during the COVID-19 epidemic
- **Opportunity:** empowering parents and communities to earn a sustainable income
 - Opportunity group training session continued throughout 2020/21 despite the challenges presented by COVID-19 in gathering groups together. These training sessions helped to increase resilience for our communities during COVID-19 and associated lockdowns.
 - Our team held trainings for over 55 opportunity groups, covering a variety of topics including stress management, entrepreneurship, marketing, time management, credit management, costing & pricing, leadership, group elections, and personal savings.
 - In 2020/21, through our beekeeping program in Kenya, which was developed from microloans provided in 2019, we distributed a total of 124 beehives to community groups. This resulted in over 220 kilograms of honey harvested, and over 113,000 KSH of revenue for the opportunity groups.

b) COVID-19 Relief Work

During the period under review, the Charity has continued to financially contribute to WE Charity

WE CHARITY

FOR THE YEAR ENDED 31 AUGUST 2021

TRUSTEES REPORT (CONTINUED)

(Canada)'s COVID-19 relief plans in Kenya and Ecuador. WE Charity (Canada)'s teams on the ground in our WE Villages communities in Kenya and Ecuador have been working collaboratively with both local and national governments, as well as local medical clinics, to ensure the effective implementation of our COVID-19 relief work in their communities.

With a focus on the Health and Food pillars, we were able to achieve the following COVID-19 relief work in Kenya in the period under review:

- COVID-19 relief efforts included awareness and education campaigns in the Bomet region, reaching over 100,000 people
- The Baraka Hospital received ventilators to support any serious cases of COVID-19
- A field unit was set up next to Baraka Hospital to address the spike in COVID-19 cases. To eliminate any cross contamination of patients, a pre-screening process was added before entrance to Baraka
- The Baraka Hospital Team started receiving the COVID-19 vaccine, aiding in community immunisation awareness
- Medical supplies were provided to Baraka Hospital as they prepared to handle a potential influx in new patient arrivals
- To mitigate food insecurity during the pandemic, the team in Kenya has provided over 930,000 nutritious meals to over 100 different communities, in addition to our ongoing sustainable food security investments
- Focus was also placed on strengthening rural small-scale farmers and supporting individual homestead gardens to ensure communities remain food secure through the distribution of vegetable seeds

We were also able to complete some COVID-19 relief work in Ecuador during the period under review:

- To support COVID-19 awareness and prevention activities in Ecuador we ran educational campaigns for 1500 community members across 11 communities
- COVID-19 prevention training provided to students and community members in Ecuador included training on important prevention aspects such as hand washing, mask wearing, and social distancing
- WE donated medical supplies to their clinics, including hand sanitisers, vitamins and first aid supplies
- Focus was also placed on emergency food support; the team in Ecuador provided over 1000kg of food and 3000 fish to local families

WE Charity Future Plans – 2021/22 Fiscal Year

The Charity's focus continues to be on the sustainability of our domestic programs and supporting international projects through WE Villages where possible. This fiscal year we had great success with our simplified and scaled down operational model, which shifted our WE Schools social action program to a digital-only format, ensuring that schools, teachers, and students were able to continue to benefit from the programming throughout periods of school closures and online learning. With this success and the ongoing need for virtual support generated by the COVID-19 pandemic, the Charity's Trustees made the decision to continue with the scaled down model moving into 2021/22 fiscal year.

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FOR THE YEAR ENDED 31 AUGUST 2021

TRUSTEES REPORT (CONTINUED)

Public Benefit

The Charity Commission in its Charities and Public Benefit Guidance requires that there are two key principles to be met to show that an organisation's aims are for the public benefit. Firstly, there must be an identifiable benefit. Second, the benefit must be to the public or a section of the public.

The Trustees confirm that in setting the Charity's objectives and in planning its activities, they have had due regard to the Charity Commission's guidance on public benefit and that they will continue to ensure each year that they will consider how the Charity continues to meet the public benefit objectives outlined of the Charities Act 2011.

The organisation's goals and objectives continue to be as set out in the company's memorandum of association and articles:

- To advance in life and help young people by providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.
- To relieve poverty, advance education, relieve sickness and promote and protect good health.

The Charity will deliver on these goals and objectives in the future by providing teachers and young people in the UK ongoing access to WE Schools programme digitally for free whilst also continuing to support internationally the WE Villages programme.

The Trustees are satisfied that the Charity meets with the requirements and conforms with the Act's definition of a charity meeting all of the key elements of the two key principles.

Financial Review

The results of the period set forth on pages 24-46 are the consolidated results of both WE Charity and its wholly owned trading subsidiary We Education Limited (whose summarised individual results can be found in note 10). It is important to note that due to the simplified operating model and the Charity's focus on digital delivery, it was decided by the Trustees and our partners in fiscal year 2019/20 to pause our corporate and government partnerships and repurpose or return some of the unused programmatic funds to our partners. This was reflected as a large expenditure in the restricted funds in the fiscal year 2019/20 and will be partially reflected during the period currently under review. This expenditure impacted restricted funds only and the Charity continues to be in a healthy position in respect of its unrestricted funds, which will ensure the Charity's continued ability to maintain its simplified operating model for the foreseeable future. The consolidated gross revenues for the period, totalled £147,300 of which £43,339 were restricted funds for international programs and £103,961 were general funds. The Charity's principal source of funding in the period derived from individual donors. During the period under review, the Charity spent £635,636 on charitable activities, which includes project grants provided totalling £21,535 and other direct costs including the return of restricted funds to partners of £173,110.

As of 31st August 2021, the general funds stood at £358,705 and the restricted funds at £43,339.

WE CHARITY

FOR THE YEAR ENDED 31 AUGUST 2021

TRUSTEES REPORT (CONTINUED)

Structure, Governance and Management

Governing Document

WE Charity's governing document is its Memorandum and Articles of Association. We Education Ltd. (registered in England and Wales under registration number 08526524) is a trading subsidiary wholly owned by Free The Children (UK).

Directors and Trustees

The Directors of the Charitable Company (The Charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as Trustees.

The Charity may appoint a new Trustee by ordinary resolution. Potential new Trustees may be recommended by members of the existing Board on the basis that the candidate has the required specialist skills needed. Newly appointed Trustees are provided with an information pack about the Charity and are given a briefing, as well as details concerning their duties and responsibilities as custodians of the Charity.

Related Parties

WE Charity and WE Charity (Canada) are related parties that share the same founders and the same aims and objectives. They are independent charities with separate governance structures and trustees.

Charity Governance Code

A new Charity Governance code was introduced in 2017 as a tool to guide best practice in Charity governance; as part of our commitment to maintaining good governance the management team and the Trustees decided to follow the Charity Governance code guidelines, focusing different priorities each fiscal based on the need of the Charity.

During the 2020/21 period under review, as WE Charity moved into its scaled back operational model, the board committed to reviewing the principles of 'Organisational Purpose' and 'Decision Making, Risk, & Control'. These principles were address as outlined below and continue to be reviewed.

- **Organisational Purpose** – It is important that the board is clear about the charity's aims and ensures that these are being delivered effectively and sustainably. The successful transition to a digital delivery method has enabled the charity to continue to achieve its mission and purpose in a more simplified and sustainable method.
- **Decision Making, Risk, & Control** – The board makes sure that its decision-making processes are informed, rigorous, and timely, and that effective delegation, control and risk-assessment, and management systems are set up and monitored. To practice this, additional financial control measures were introduced including monthly review meetings on the management accounts, internal credit card control processes and bank account reviews between senior management and the Charity's accounting firm supported by meeting minutes that summarize the review discussions and are filled for future reference. Increased touchpoints on cashflow, invoice payments and management accounts between operational staff and the Board Financial Representative were also introduced.

As part of WE Charity's commitment to strong governance and to ensure its ongoing compliance with the code, the Governance Code will continue to be reviewed throughout the 2021/22 fiscal year as we remain in our scaled back operational mode.

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FOR THE YEAR ENDED 31 AUGUST 2021

TRUSTEES REPORT (CONTINUED)

Charity Fundraising

The fundraising approach taken by the Charity for the period was to reduce the need for active business development activity in line with the decision to scale back the organisation's operations. The Charity would however retain its other, smaller fundraising efforts made through our online donation platforms. There are some schools who participate in the WE Schools programme who also undertake fundraising activities in support of WE Villages, at their discretion.

No professional fundraisers or commercial participators were hired by WE Charity.

The Charity adheres to the following standards of fundraising:

- WE Charity seeks to inform, serve, guide, or otherwise assist donors who wish to support WE Charity activities, but never under any circumstances to pressure or unduly persuade.
- WE Charity does not sell donor information or otherwise share personal information with any party
- WE Charity partners with companies and funders who share a common vision of empowerment

We have complied with these standards for any of the funds raised during this period.

There have been no complaints about activities by the Charity in the course of fundraising.

The measures the Charity has taken to protect vulnerable people and other members of the public from behaviour in the course of, or in connection with, fundraising activities are detailed in our privacy policy, which can be found in full at <https://www.we.org/gb/privacy-policy/>. This policy was last updated on 1 October 2019. The most vulnerable population who we encounter in the course of our charitable work are children. Our policy contains different definitions of consent for different age groups (including special provisions for people under the age of 18 and people under the age of 13), as well as a parental consent form for individuals under the age of 13.

Grant Making

WE Charity makes grants to WE Charity (Canada), a partner charity, in order to fulfil the objectives of the WE Villages programme. The Trustees award grants only after careful considerations on the merits of each application and after ensuring that the grants provided meet the stated objectives of the Charity.

Formal grant request procedures are in place which outline funding required and deliverables to the partner charities. Grants to WE Charity (Canada) are monitored through programme audits contracted on a periodic basis to ensure the quality of the programmatic deliverables and the use of funds. Programme delivery and use of funds is audited in Canada and verified in the UK.

Reserves Policy

WE Charity holds financial reserves to be applied to future activities in a number of categories:

- General – Available to be applied, at the discretion of the Trustees, to any of WE Charity's charitable purposes.
- Designated – Those funds which the Trustees have set aside from general funds for the benefit of the particular project.
- Restricted – To be applied to the specific purpose(s) intended by the donor.

WE CHARITY

FOR THE YEAR ENDED 31 AUGUST 2021

TRUSTEES REPORT (CONTINUED)

The policy of the Charity is to have target free reserves at a level equivalent to three months expenditure on these items. The Trustees consider that free reserves at this level will ensure that they will be able to continue the Charity's current activities and scale down model until regular fundraising activities resume.

As at 31 August 2021, the Charity held total funds of £358,705 available for general purposes of the Charity which represents more than 1 years' expenditure. This is above the target set, and the Trustees consider this sufficient based on a review of the 12-month cash flow forecast which shows the reserves will be met for the coming year to ensure the ongoing sustainability of our charitable work. Restricted funds stood at £43,339 and there are no designated funds.

Going Concern

In assessing going concern, the Trustees have taken into account the Charity's continued scaled back operational model, which includes online virtual delivery of all programs supported by our global support team [WE Charity (Canada)] until its closure within fiscal year 2021/22, followed by the Wellbeing Foundation thereon, no WE Days for the foreseeable future, the current cash position of the Charity, as well as funding limitations, and the cash flow forecast. After reviewing various operational and financial scenarios, the Trustees decided that the scaled back operational model continues to provide the best opportunity to ensure the following:

- That the Charity can remain operational for the next 12 months and beyond
- That the Charity can continue to deliver on its objectives and aims by focusing on the sustainability of domestic programming (WE Schools) and international projects
- That the Charity can sustain its operational expenses which have been significantly reduced
- That the Charity has a healthy unrestricted reserve fund to support any unexpected expenses that may arise

Based on this review and discussion, the Trustees are confident that the Charity will have sufficient funding to continue in its revised operational model for the future and to cover all financial liabilities moving forward.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of WE Charity 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group 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 judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

WE CHARITY

FOR THE YEAR ENDED 31 AUGUST 2021

TRUSTEES REPORT (CONTINUED)

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Insofar as each of the Trustees of the Charity at the date of approval of this report is aware there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the audit report) of which the Charity's auditor is unaware. Each Trustee has taken all of the steps that they should have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

In the period under review, due to the scaled down operational model, the charity is taking advantage of the small companies exemption.

The trustees report has been approved and signed on behalf of the Board by Lord Rumi Verjee.



Lord Rumi Verjee

Chairman, Free The Children (UK)

Date: 13th January 2022

Independent Auditor's Report to the Members and the Trustees of Free the Children (UK)

Opinion

We have audited the financial statements of Free the Children (UK) for the year ended 31 August 2021 which comprise the Statement of Financial Activities, Consolidated and Charitable Company Balance Sheets, Consolidated cashflow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report].

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations

made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were taxation legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within revenue recognition, going concern and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and Board of Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, sample testing of revenue, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit,

there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date 17th January 2022

FREE THE CHILDREN (UK), T/A WE CHARITY

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

FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

	Notes	General Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income From:					
Voluntary income/donations & Grants	2	102,786	43,339	146,125	2,892,090
Other trading activities	2.1	1,158	-	1,158	377,631
Investment income		17	-	17	122
Total Income		103,961	43,339	147,300	3,269,843
Expenditure on:					
Raising funds	3	-	-	-	16,800
Charitable activities	3, 5	363,584	272,052	635,636	5,864,151
Total expenditure		363,584	272,052	635,636	5,880,951
Net incoming resources		(259,623)	(228,713)	(488,336)	(2,611,108)
Transfers		118,343	(118,343)	-	-
Net movement in funds		(141,280)	(347,056)	(488,336)	(2,611,108)
Reconciliation of funds:					
Fund balances brought forward		499,985	390,395	890,380	3,501,488
Fund balances carried forward		358,705	43,339	402,044	890,380

All of the above results are derived from continuing activities.

There are no gains or losses other than the net movement on funds stated above.

The notes 1 to 21 form part of these financial statements

FREE THE CHILDREN (UK), T/A WE CHARITY

CONSOLIDATED BALANCE SHEET

AT 31 AUGUST 2021

	Notes	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
FIXED ASSETS					
Tangible assets	9	-	1,019	-	1,019
Investments	10	-	-	1	1
		<u>-</u>	<u>1,019</u>	<u>1</u>	<u>1,020</u>
CURRENT ASSETS					
Debtors	11	6,210	49,870	126,846	679,506
Cash at bank and in hand		<u>420,293</u>	<u>2,794,421</u>	<u>410,052</u>	<u>2,427,178</u>
		426,503	2,844,291	536,898	3,106,684
CURRENT LIABILITIES					
Creditors amounts falling due within one year	12	(24,459)	(289,520)	(24,459)	(447,020)
Provisions	13	-	(1,665,410)	-	(1,665,410)
		<u>(24,459)</u>	<u>(1,954,930)</u>	<u>(24,459)</u>	<u>(2,112,430)</u>
NET CURRENT ASSETS		<u>402,044</u>	<u>889,361</u>	<u>512,439</u>	<u>994,254</u>
NET ASSETS		<u>402,044</u>	<u>890,380</u>	<u>512,440</u>	<u>995,274</u>
FUNDS					
Unrestricted funds: General	17	358,705	499,985	469,101	604,879
Restricted funds	18	43,339	390,395	43,339	390,395
		<u>402,044</u>	<u>890,380</u>	<u>512,440</u>	<u>995,274</u>

The notes 1 to 21 form part of these financial statements.

Gross incoming resources for the parent (including in kind donations) for the period under review was £146,169 (2020: £2,892,148). Net incoming resources for the parent for the period (including restricted funds) was £146,169 (2020: £2,623,135).

The Charity is taking advance of the small companies exemption.

The financial statements were approved by the Board of Trustees and signed on its behalf by:



Lord Rumi Verjee

Chairman, Free The Children (UK)

Date 13th January 2022

FREE THE CHILDREN (UK), T/A WE CHARITY

CONSOLIDATED CASH FLOW STATEMENT

FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

	2021	2020
	£	£
Cash flows from operating activities		
<i>Net cash provided by (used in) operating activities</i>	<u>(2,374,295)</u>	<u>(538,100)</u>
Cash flows from investing activities		
Investment income	17	122
Purchase of tangible fixed assets	-	-
Proceeds from sale of fixed assets	150	-
<i>Net cash provided by (used in) investing activities</i>	<u>167</u>	<u>122</u>
Change in Cash and Cash Equivalents in the Reporting Period	(2,374,128)	(537,979)
Cash and Cash Equivalents at the Beginning of the Reporting Period	2,794,421	3,332,400
Cash and Cash Equivalents at the End of the Reporting Period	<u>420,293</u>	<u>2,794,421</u>
(a) Reconciliation of operating surplus to net cash inflow from operating activities		
Net incoming resources	(488,336)	(2,611,108)
Investment income	(17)	(122)
Depreciation	899	1,349
Loss on sale of fixed assets	(30)	-
Decrease / (Increase) in debtors	43,660	531,465
(Decrease) / Increase in creditors	(265,061)	(125,094)
Decrease / (Increase) in provisions	(1,665,410)	1,665,410
<i>Net cash provided by (used in) operating activities</i>	<u>(2,374,295)</u>	<u>(538,100)</u>

The notes 1 to 21 form part of these financial statements.

FREE THE CHILDREN (UK), T/A WE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

Free The Children (UK), trading as WE Charity is a charitable company registered in England and Wales with registration number 07306686. WE Charity is also a registered charitable company in Scotland with registration number SC045815. WE Charity is a children's charity and is unique in that it operates programmes both domestically and internationally, in a manner that is intended to be interrelated and mutually reinforcing. Our overarching mandate is to help children and young people fulfil their potential to be agents of change.

WE Charity meets the definition of a public benefit entity under the guidance issued by the Charity Commission. The charity is taking advantage of the small companies exemption.

1. ACCOUNTING POLICIES

a) Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The Trustees have considered the Charity's scaled down operational model based on 1) continued online virtual delivery of all WE Schools programs and sustainability of international projects, supported by the WELLbeing Foundation and the WE Charity Foundation [successor entities to WE Charity (Canada)], 2) no execution of WE Days for the upcoming year, 3) the current cash position of the Charity 4) the funding pipeline, and 5) the cash flow forecast. After careful review the Trustees believe there are no material uncertainties about the Charity's ability to continue in its scaled down operational model, and therefore the accounts have been prepared under the going concern basis.

These financial statements present the consolidated results of WE Charity and its wholly owned trading subsidiary We Education Ltd (Company number: 08526524), a charitable company registered in England and Wales. The results of the subsidiary have been consolidated on a line by line basis. No separate income and expenditure account of the Charity has been presented, as permitted by Section 408 of the Companies Act 2006.

b) Going concern

During the period under review, WE Charity received the majority of its funding from a one-time unrestricted grant from its partner WE Charity (Canada) and donations from individual supportive donors. In assessing going concern, the Trustees have considered the opening unrestricted fund balance for the next period and the cashflow forecast for the fiscal year 2021/22 and beyond. The cashflow forecast was prepared on the basis of a continued operational scale down, with significantly reduced operating expenses, no WE Days and no funding from donors. Following the review of a variety of operational and financial scenarios, the Trustees decided this continued operational scale back provides the best opportunity for the Charity to best meet its objectives and maintain financial health. Taking into account the assessment of funds and cashflow, as well as the contingency plans in the form of core individual donors who have indicated a willingness to support the Charity if required, the Trustees are confident that the Charity will have sufficient funding to continue in its current scaled back operational state for the foreseeable future, and to cover its liabilities moving forward.

FREE THE CHILDREN (UK), T/A WE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

c) Income

Voluntary income including donations, gifts, legacies or grants from various individuals, corporations and charitable foundations are recognised when there is entitlement, probability of receipt and when the amount can be measured with sufficient reliability. Such income is only deferred when:

- i) The donor specifies that the grant or donation must only be used in future accounting periods.
- ii) The donor has imposed conditions which must be met before the Charity has unconditional entitlement.

Donated goods or services received are included in the Statement of Financial Activities as both intangible income and cost at a value estimated by the Trustees.

All incoming resources are reported gross before expenses.

d) Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charitable company to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in furtherance of the charitable objectives of the Charity. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has met the condition attached to the grant and the Trustees are satisfied they have done so.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

i) Support costs

Overhead and support costs have been allocated across activity categories on a basis consistent with the use of the resource, e.g. salaries allocated on the basis of estimated time spent and office overheads by estimated usage.

ii) Raising funds

Included in this category are directly associated costs of fundraising consultants.

iii) Charitable activities

This represents all direct costs (including grants) associated with identified charitable activities together with attributed support costs. The majority of costs noted under charitable activities in the period under review are related to the return of unspent restricted funds.

iv) Governance

This represents all costs involving public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related with statutory audit and constitutional requirements.

FREE THE CHILDREN (UK), T/A WE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

e) Taxation

WE Charity, as a registered charity, is potentially exempt from taxation on income and gains falling within section 466-493 of the Corporation Taxes Act 2010 and section 256 of the Taxation of Chargeable Gain Act 1992 to the extent these are applied for charitable purposes.

f) Tangible fixed assets

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition. Tangible fixed assets are capitalised above £1,000.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rate applicable for Office equipment and furniture is 25%.

g) Financial Assets and Liabilities

WE Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise trade and other debtors. Financial liabilities held at amortised cost comprise, trade and other creditors.

Investments in subsidiary undertakings are held at cost less impairment. An analysis of assets and liabilities is set out in Note 14.

h) Funds

i) General funds

General funds are donations and other incoming resources receivable or generated for the objects of the Charity without specified purpose.

ii) Designated funds

Designated funds are those funds which the Trustees have set aside from general funds for the benefit of a particular project.

iii) Restricted funds

Restricted funds are specifically donated to the Charity where the donor has specified they be used for the benefit of a specific project or for a particular administrative cost.

FREE THE CHILDREN (UK), T/A WE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

i) Judgements and estimates

In the application of the Charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. The principal accounting policies, as set out above, have all been applied consistently throughout the current reporting period and the preceding year.

2. DONATIONS AND GRANTS

	General	Restricted	Total	Total
	Funds	Funds	2021	2020
	£	£	£	£
Donations and grants	102,786	43,339	146,125	2,721,196
Gifts in Kind	-	-	-	170,894
	102,786	43,339	146,125	2,892,090

In the previous period WE Charity benefited from the Government's Coronavirus Job Retention Scheme. During this period total grants received from this scheme was nil (2020: £86,115).

Gifts in Kind represent the Trustees' estimate of the value of goods and services received by the Charity. In the period under review the total donated services received are nil (2020: £170,894). In previous years the total included donated services from WE Charity (Canada) received for staging the annual WE Day event, including stage production, flight and accommodation costs.

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

2.1 INCOME FROM OTHER TRADING ACTIVITIES

	2021	<i>2020</i>
	£	<i>£</i>
Sponsorship income		
WE Day sponsorship income		312,800
Other sponsorship income	<u>1,158</u>	<u>64,831</u>
	1,158	377,631
	<u> </u>	<u> </u>

FREE THE CHILDREN (UK), T/A WE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

3. RESOURCES EXPENDED

During the previous period and in the period under review resources expended include unspent restricted funds returned to funders, in line the Charity's move to a scaled back operational model.

	Event Production costs	Grants and other project costs	Other direct costs	Support costs	Total 2021	Total 2020
	£	£	£	£	£	£
Expenditure on raising funds						
Fundraising cost						16,800
Charitable activities						
WE day Event costs			(137)		(137)	720,677
International Projects-Grants			214,051		214,051	1,139,252
Be the Change - UK School tours			(1,308)	9,987	8,679	658,739
Team London						316,709
Boots			(2,509)	2,941	432	181,376
VA Scholarship Trip			28,259		28,259	75,612
#iwill Fund 1			(2,386)	8,785	6,400	645,773
#iwill Fund 2			(2,140)	5,153	3,014	535,961
KPMG - WE Schools						250,514
Virgin Passport To Change			(543)	2,236	1,693	475,717
Unilever - Dove			(419)		(419)	47,056
Unilever Persil			(308)		(308)	30,989
Youth Action Grants						18,000
The Queen's Commonwealth Trust		9,035	1,354		10,389	9,611
Governance	6,592		74,467		81,059	57,807
Other Costs	43	12,500	(135,271)	405,254	282,526	700,358
Total Charitable activities	6,634	21,535	173,110	434,357	635,636	5,864,151
Total resources expended	6,634	21,535	173,110	434,357	635,636	5,880,951

FREE THE CHILDREN (UK), T/A WE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

In the previous financial year, a provision was made in respect of clawback funds for various projects. During the period the funds were repaid to the donors and any under or over provision has been released to the statement of financial activities.

4. ALLOCATION OF SUPPORT COSTS AND OVERHEADS

Support costs are those expenses incurred in connection with the administration and operation of the Charity. For the period under review all support costs were allocated towards delivering the Charity's UK domestic programme, against unrestricted funds or toward international site visits. An analysis of how support costs were allocated is given below:

	Salaries & related costs £	Office overhead £	Total 2021 £	Total 2020 £
WE Day UK				5,775
International project -WE Village				(56)
Be the Change -UK school tours QT	2,442		2,442	9,171
Be the Change -UK school tours VA	7,544		7,544	67,539
Be the Change -UK school tours GW				(40)
Virgin Passport To Change	2,236		2,236	108,914
Team London				275,052
Boots	2,941		2,941	154,941
KPMG – WE Schools				78,128
#iwill Fund 1	8,785		8,785	216,195
#iwill Fund 2	5,153		5,153	225,695
VA Scholarship Trip				564
Unilever - Persil				30,961
Unilever - Dove				30,657
Unrestricted funds	341,981	63,275	405,255	474,554
Total support costs	<u>371,083</u>	<u>63,275</u>	<u>434,358</u>	<u>1,678,050</u>

FREE THE CHILDREN (UK), T/A WE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

5. ANALYSIS OF CHARITABLE EXPENDITURE BY FUND

	General funds	Restricted funds	Total 2021	<i>Total 2020</i>
	£	£	£	£
WE Day		(137)	(137)	720,677
International projects		214,051	214,051	1,139,252
Be The Change - UK Schools tours		8,679	8,679	658,739
Virgin Passport To Change		1,693	1,693	475,717
Team London				316,709
Boots		432	432	181,376
VA Scholarship Trip		28,259	28,259	75,612
#iwill Fund 1		6,400	6,400	645,773
#iwill Fund 2		3,014	3,014	535,961
KPMG – WE Schools				250,514
Queen’s Commonwealth Trust		10,389	10,389	9,611
Unilever – Persil		(308)	(308)	30,989
Unilever – Dove		(419)	(419)	47,056
Youth Action Grants				18,000
Other costs	363,584		363,584	758,165
Total charitable expenditure	363,584	272,052	635,636	5,864,151

6. GOVERNANCE COSTS

	Group	
	2021	<i>2020</i>
	£	£
Auditors fees – statutory audit in relation to current period	15,000	22,080
Auditors fees – statutory audit in relation to prior year		16,140
Non audit fees in relation to current period	6,875	5,205
Non audit fees in relation to prior year		-
Other Professional Fees	59,184	14,382
Total governance costs	81,059	57,807

The increase in professional fees in the period under review is due to the move to a scaled back operational model, including the related legal fees which enabled a smooth transition and the outsourcing of finance support.

FREE THE CHILDREN (UK), T/A WE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

7. NET INCOME FOR THE PERIOD BEFORE TRANSFERS

	Group	
	2021	2020
This is stated after charging:	£	£
Auditors remuneration	15,000	38,220
Non audit fees (current auditor)	6,875	5,205
Depreciation	899	1,349

8. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	339,753	1,232,248
Social security costs	27,417	117,706
Employer's pension contributions	3,913	28,390
	371,083	1,378,344
Other costs of employment	827	9,534
	371,910	1,387,878
Higher Paid Staff – Overall pay for the period	2021	2020
£60,000 - £70,000	0	1
£70,000 - £80,000		
£80,000 - £90,000		
£100,000 - £110,000		

None of the Trustees of the Charity were remunerated for their time or reimbursed for expenses incurred in carrying out their duties.

The average number of employees during the period was 4 (2020: 36). The reduction in the average number in employees compared to the previous period is due to the implementation of the scaled back operational model in the period under review and the resulting move to a minimised staffing model.

Redundancy payments of £125,686 were made in the year (2020: £70,002) these were fully provided for at the previous year end. There are no remaining amounts owed at the year end.

Key management personnel were reduced over the course of the period in line with the scaled back operational model. The total remuneration of key management personnel during the year was £284,003 (2020: £457,506).

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

9. TANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Office Equipment & furniture £
Cost:	
At 1 September 2020	11,859
Additions	-
Disposals	(2,921)
	8,938
At 31 August 2021	8,938
Depreciation:	
At 1 September 2020	10,840
Disposals	(2,801)
Charge for the period	899
	8,938
At 31 August 2021	8,938
Net book value	
At 31 August 2021	-
<i>At 31 August 2020</i>	1,019

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

10. INVESTMENT IN SUBSIDIARY COMPANY

	Charity	
	2021	2020
	£	£
Investment	1	1
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
WE Charity owns 100% of the ordinary share capital of its trading subsidiary We Education Limited. A summary of the subsidiary undertakings results for the period are given below:		
		£
Gross income		1,130
Gross expenditure		(6,634)
		<hr style="width: 100%;"/>
Net loss for the period		(5,504)
		<hr style="width: 100%;"/>
Total Assets		10,239
Total Liabilities		(120,636)
		<hr style="width: 100%;"/>
Net Assets		(110,397)
		<hr style="width: 100%;"/>

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

11. DEBTORS

	Group		Charity	
	2021	<i>2020</i>	2021	<i>2020</i>
	£	<i>£</i>	£	<i>£</i>
Accrued income		4,100		4,100
Trade debtors		-		-
Other debtors		26,707		26,707
Prepayments	6,210	19,063	6,210	19,063
Taxation and Social Security		-		-
Amount due from subsidiary		-	120,636	629,636
	6,210	49,870	126,846	679,506

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

12. CREDITORS: Falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	2,970	244,742	2,970	244,742
Other creditors	189	288	189	288
Taxation and Social Security	-	-	-	-
Grant Payable	-	-	-	157,500
Deferred Income	-	-	-	-
Accruals	21,300	44,490	21,300	44,490
	24,459	289,520	24,459	447,020

13. PROVISIONS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Redundancy Pay Provision	-	125,686	-	125,686
Unspent Restricted Fund Return Provision	-	1,458,764	-	1,458,764
Onerous Lease Provision	-	80,960	-	80,960
	-	1,665,410	-	1,665,410

FREE THE CHILDREN (UK), T/A WE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

The provisions made in the prior year were all released in the period under review as shown below:

	Redundancy Pay Provision	Unspent Restricted Fund Return Provision	Onerous Lease Provision	Total Provisions
	£	£	£	£
Opening Provision	125,686	1,458,764	80,960	1,665,410
Utilised in the year	(126,230)	(1,454,701)	(91,723)	(1,671,654)
Change in provision	456	-4,063	10,763	6,244
Closing provision	0	0	0	0

14. DEFERRED INCOME - GROUP AND CHARITY

	2021	<i>2020</i>
	£	£
Deferred income brought forward		207,800
Income deferred in the period		-
Released in the period		(207,800)
Deferred income carried forward		-

15. FINANCIAL ASSETS AND LIABILITIES

	2021	<i>2020</i>
	£	£
Financial assets measured at amortised cost	420,293	2,825,228
Financial liabilities measured at amortised cost	(24,459)	(289,520)

There is income of £17 (2020: £122) in respect of these financial instruments.

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

16. ANALYSIS OF NET ASSETS OF GROUP BETWEEN FUNDS

	General	Restricted	Total
	funds	funds	2021
	£	£	£
Fixed assets	-	-	-
Current assets	383,164	43,339	426,503
Current Liabilities	(24,459)	-	(24,459)
	<hr/>	<hr/>	<hr/>
	358,705	43,339	402,044

COMPARATIVE	General	Restricted	<i>Total</i>
	funds	funds	<i>2020</i>
	£	£	£
Fixed assets	1,019	-	1,019
Current assets	995,132	1,849,159	2,844,291
Current Liabilities	(496,166)	(1,458,764)	(1,954,930)
	<hr/>	<hr/>	<hr/>
	499,985	390,395	890,380

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

17. GENERAL FUNDS

	2021	<i>2020</i>
	£	<i>£</i>
As at 1 September	499,985	1,015,549
Movement in the period	(259,623)	(712,909)
Transfer from restricted funds	118,343	197,345
At 31 August	<u>358,705</u>	<u>499,985</u>

FREE THE CHILDREN (UK), T/A WE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

18. RESTRICTED FUNDS

	<i>Balance as At 1 September 2020</i>	<i>Incoming funds</i>	<i>Outgoing funds</i>	<i>Transfers</i>	<i>Balance as At 31 2021</i>
	£	£	£	£	£
Domestic programme funds					
Be the Change -Virgin	6,671		7,572	901	
Be the Change - Queens Trust	2,008		2,008		
Be the Change - Virgin Sustainability Grant Initiative	-		(901)	(901)	
Boots	432		432		
#iwill Fund 1	6,400		6,400		
#iwill Fund 2	3,014		3,014		
Queen's Commonwealth Trust	10,389		10,389		
Virgin Passport To Change	1,693		1,693		
Unilever – Dove	-		(419)	(419)	
Unilever – Persil	118,995		(308)	(119,303)	
WE Day UK	(1,536)		(137)	1,399	
WE Villages					
WE Villages – Kenya	29,577	40,901	29,577		40,901
WE Villages – India	91,736		91,736		
WE Villages – Ecuador	692		692		
WE Villages – Sierra Leone	1,452		1,452		
WE Villages – General/Others	90,594	2,438	90,594		2,438
Virgin Scholarship Trip	28,278		28,259	(20)	
Total funds	390,395	43,339	272,053	(118,343)	43,339

FREE THE CHILDREN (UK), T/A WE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

COMPARATIVE RESTRICTED FUNDS

	<i>Balance as At 1 September 2019</i>	<i>Incoming funds</i>	<i>Outgoing funds</i>	<i>Transfers</i>	<i>Balance as At 31 August 2020</i>
	£	£	£	£	£
Domestic programme funds					
Be the Change -Virgin	539,784	-	533,113	-	6,671
Be the Change - Queens Trust	126,774	-	124,766	-	2,008
Be the Change - Garfield Weston	1,845	-	(40)	(1,885)	-
Be the Change - Virgin Sustainability Grant Initiative	901	-	901	-	-
Team London School's Programme	28,709	288,000	316,709	-	-
Boots	70,098	111,710	181,376	-	432
#iwill Fund 1	318,839	333,334	645,773	-	6,400
#iwill Fund 2	230,675	308,300	535,961	-	3,014
KPMG – WE Schools	250,514	150,000	250,514	(150,000)	-
Queen's Commonwealth Trust	-	20,000	9,611	-	10,389
Virgin Passport To Change	281,154	196,256	475,717	-	1,693
Unilever – Dove	-	85,000	47,056	(37,944)	-
Unilever - Persil	-	150,000	30,989	(16)	118,995
Youth Action Grants	-	18,000	18,000	-	-
WE Day UK	458	161,582	156,076	(7,500)	(1,536)
WE Villages					
WE Villages – Kenya	58,886	29,577	58,886	-	29,577
WE Villages – India	44,260	91,736	44,260	-	91,736
WE Villages – Ghana	159	-	159	-	-
WE Villages – China	49,186	-	49,186	-	-
WE Villages – Haiti	2,996	-	2,996	-	-
WE Villages – Ecuador	6,591	692	6,591	-	692
WE Villages – Sierra Leone	543	1,452	543	-	1,452
WE Villages – Nicaragua	6,535	-	6,535	-	-
WE Villages – Tanzania	3,115	-	3,115	-	-
WE Villages – General/Others	274,813	692,580	876,799	-	90,594
Virgin Scholarship Trip	98,923	4,967	75,612	-	28,278
Be the Change (Global) – Virgin	90,182	-	90,182	-	-
Total funds	<u>2,485,940</u>	<u>2,643,186</u>	<u>4,541,386</u>	<u>(197,345)</u>	<u>390,395</u>

FREE THE CHILDREN (UK), T/A WE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

DOMESTIC PROGRAMME FUNDS

The majority of domestic programme funds in the period under review represent monies expended towards staff time costs at the beginning of the fiscal year to compensate for work completed towards the pausing of partnerships between the Charity and its corporate and non-corporate partners, in line with the scaled back operational model. Any unspent domestic programme funds were returned to the respective partner or repurposed for the Charity's greatest need, in line with partner agreements. No monies were received for domestic programme funds during the period.

INTERNATIONAL PROGRAMME FUNDS

WE Villages

Each of the respective funds listed under this heading relate to monies specifically received towards development of those communities identified via the WE Villages programme as explained in the Trustees report.

Virgin Scholarship Trip fund

This fund relates to grants specifically received from Virgin Atlantic Foundation and expended on scholarship overseas trips. During the period the final instalment towards a pre-pandemic scholarship overseas trip was expended.

19. CONTROL

The Charity is ultimately controlled by the members.

20. COMPANY STATUS

WE Charity is a company limited by guarantee. The members are liable for the debts and liabilities of the Charity to an amount not exceeding £10 in the event of a winding up during membership or one year afterwards.

21. RELATED PARTY TRANSACTIONS

During the period the Charity made grants totalling £223,730 for international projects to WE Charity (Canada) (2020: £628,554). WE Charity (Canada) is a registered charity in Canada that shares the same objectives and purpose as WE Charity. They primarily administer and co-ordinate the international programmes which include WE Villages. As WE Charity (Canada) closes in autumn 2021, the Charity will act as a grant making body for WE Charity (Canada)'s successor entities WELLbeing Foundation and WE Charity Foundation, which will assume the administration and co-ordination of the international programmes including WE Villages.

WE Charity's subsidiary, We Education Limited (Company Registration Number: 08526524) makes a gift aid donation to the Charity of its taxable profits each year. At the end of this period, there was no balance transferred due to the company's carried forward loss from previous periods.

FREE THE CHILDREN (UK), T/A WE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021

At the end of the period the net liabilities of WE Education Limited are £110,398 (2020: £104,894), with turnover of £1,128 (2020: £535,195) in the period and total expenditure of £6,634 (2020: £523,168). Audited accounts for WE Education Limited can be obtained from the address noted on page 2.

The Trustees made donations of £40,000 to the Charity during the period (2020: £685,000).