

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**

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**COMPANY INFORMATION**

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

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



**WE CHARITY**  
**FOR THE YEAR ENDED 31 AUGUST 2021**  
**TRUSTEES REPORT**

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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 1<sup>st</sup> September 2020 and ended 31<sup>st</sup> 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 7<sup>th</sup> July 2010 and granted charitable status on 28<sup>th</sup> 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

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**TRUSTEES REPORT (CONTINUED)**

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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.

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**TRUSTEES REPORT (CONTINUED)**

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**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 21<sup>st</sup> 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.

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- **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.

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**TRUSTEES REPORT (CONTINUED)**

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**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 31<sup>st</sup> August 2021 are provided below:

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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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- 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

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(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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**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.

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**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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**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.

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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.

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**TRUSTEES REPORT (CONTINUED)**

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

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**

		<b>Group</b>		<b>Charity</b>	
	Notes	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>					
Tangible assets	9	-	1,019	-	1,019
Investments	10	-	-	1	1
		<u>-</u>	<u>1,019</u>	<u>1</u>	<u>1,020</u>
<b>CURRENT ASSETS</b>					
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
<b>CURRENT LIABILITIES</b>					
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>
<b>NET CURRENT ASSETS</b>		<u>402,044</u>	<u>889,361</u>	<u>512,439</u>	<u>994,254</u>
<b>NET ASSETS</b>		<u><b>402,044</b></u>	<u><b>890,380</b></u>	<u><b>512,440</b></u>	<u><b>995,274</b></u>
<b>FUNDS</b>					
Unrestricted funds: General	17	358,705	499,985	469,101	604,879
Restricted funds	18	<u>43,339</u>	<u>390,395</u>	<u>43,339</u>	<u>390,395</u>
		<u><b>402,044</b></u>	<u><b>890,380</b></u>	<u><b>512,440</b></u>	<u><b>995,274</b></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**

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

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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**

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**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**

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**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**

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

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**

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**2.1 INCOME FROM OTHER TRADING ACTIVITIES**

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

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
	£	£	£	£	£	£
<b>Expenditure on raising funds</b>						
Fundraising cost						16,800
<b>Charitable activities</b>						
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
<b>Total Charitable activities</b>	<b>6,634</b>	<b>21,535</b>	<b>173,110</b>	<b>434,357</b>	<b>635,636</b>	<b>5,864,151</b>
<b>Total resources expended</b>	<b>6,634</b>	<b>21,535</b>	<b>173,110</b>	<b>434,357</b>	<b>635,636</b>	<b>5,880,951</b>

**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:

	<b>Salaries &amp; related costs £</b>	<b>Office overhead £</b>	<b>Total 2021 £</b>	<i>Total 2020 £</i>
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	<b>371,083</b>	<b>63,275</b>	<b>434,358</b>	<b>1,678,050</b>

**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**

	<b>General funds</b>	<b>Restricted funds</b>	<b>Total 2021</b>	<i>Total 2020</i>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
<b>Total charitable expenditure</b>	<b>363,584</b>	<b>272,052</b>	<b>635,636</b>	<b>5,864,151</b>

**6. GOVERNANCE COSTS**

	<b>Group</b>	
	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
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
<b>Total governance costs</b>	<b>81,059</b>	<b>57,807</b>

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**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
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**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	339,753	1,232,248
Social security costs	27,417	117,706
Employer's pension contributions	3,913	28,390
	<b>371,083</b>	<b>1,378,344</b>
Other costs of employment	827	9,534
	<b>371,910</b>	<b>1,387,878</b>
Higher Paid Staff – Overall pay for the period	<b>2021</b>	<b>2020</b>
£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**

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**9. TANGIBLE FIXED ASSETS - GROUP AND CHARITY**

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

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

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**10. INVESTMENT IN SUBSIDIARY COMPANY**

	Charity	
	2021	2020
	£	£
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:		
		£
Gross income		1,130
Gross expenditure		<u>(6,634)</u>
Net loss for the period		<u>(5,504)</u>
Total Assets		10,239
Total Liabilities		(120,636)
Net Assets		<u>(110,397)</u>

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

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**11. DEBTORS**

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



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
	<b>24,459</b>	<b>289,520</b>	<b>24,459</b>	<b>447,020</b>

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
	<b>-</b>	<b>1,665,410</b>	<b>-</b>	<b>1,665,410</b>

**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**

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

**15. FINANCIAL ASSETS AND LIABILITIES**

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

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**

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

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

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

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**17. GENERAL FUNDS**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<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	<b><u>358,705</u></b>	<b><u>499,985</u></b>

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>
	£	£	£	£	£
<b>Domestic programme funds</b>					
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	
<b>WE Villages</b>					
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)	
<b>Total funds</b>	<b>390,395</b>	<b>43,339</b>	<b>272,053</b>	<b>(118,343)</b>	<b>43,339</b>

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

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE 12 MONTH PERIOD ENDED 31 AUGUST 2021**

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**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**

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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).