

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**

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**COMPANY INFORMATION**

<b>TRUSTEES</b>	Lord Rumi Verjee (Chair) Craig Burkinshaw Neil Roskill Carlos Pinto
<b>REGISTERED OFFICE ADDRESS</b>	Kings Parade Lower Coombe Street Croydon CRO 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 1TR
<b>INDEPENDENT EXAMINER</b>	Crowe U.K. LLP Aquis House 49 – 51 Blagrove Street Reading RG1 1PL
<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 CRO 1AA

**WE CHARITY**  
**FOR THE YEAR ENDED 31 AUGUST 2022**  
**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 financial statements for the 12-month period which began 1<sup>st</sup> September 2021 and ended 31<sup>st</sup> 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 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 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)**

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**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 21<sup>st</sup> 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)**

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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 31<sup>st</sup> 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)**

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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.

**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 WEllbeing 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)**

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- 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:

14<sup>th</sup> 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 £
<b>Income From:</b>					
Voluntary income/donations & Grants	2	192,814	21,028	213,842	146,125
Other trading activities	2.1	-	-	-	30
Investment income		5	-	5	14
<b>Total Income</b>		<b>192,819</b>	<b>21,028</b>	<b>213,847</b>	<b>146,169</b>
<b>Expenditure on:</b>					
Raising funds	3	-	-	-	-
Charitable activities	3, 5	77,095	44,250	121,345	629,003
<b>Total expenditure</b>		<b>77,095</b>	<b>44,250</b>	<b>121,345</b>	<b>629,003</b>
<b>Net incoming resources</b>		<b>115,724</b>	<b>(23,222)</b>	<b>92,502</b>	<b>(482,834)</b>
<b>Transfers</b>					
<b>Net movement in funds</b>		<b>115,724</b>	<b>(23,222)</b>	<b>92,502</b>	<b>(482,834)</b>
<b>Reconciliation of funds:</b>					
Fund balances brought forward		469,101	43,339	512,440	995,274
<b>Fund balances carried forward</b>		<b>584,825</b>	<b>20,117</b>	<b>604,942</b>	<b>512,440</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 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 £
<b>FIXED ASSETS</b>				
Tangible assets	9		-	-
Investments	10		1	1
<b>CURRENT ASSETS</b>				
Debtors	11	131,453		126,846
Cash at bank and in hand		<u>486,899</u>		<u>410,052</u>
		618,351		536,898
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(13,411)</u>		(24,459)
<b>NET CURRENT ASSETS</b>			<u>604,941</u>	<u>512,439</u>
<b>NET ASSETS</b>			<u>604,942</u>	<u>512,440</u>
<b>FUNDS</b>				
Restricted	17, 18		20,117	43,339
Unrestricted - General	16		<u>584,825</u>	<u>469,101</u>
<b>TOTAL FUNDS</b>			<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

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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 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**

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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 YEAR ENDED 31 AUGUST 2022**

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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.

**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**

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**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>	<u>-</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 £
<b>Expenditure on raising funds</b>						
Fundraising cost	-	-	-	-	-	-
<b>Charitable activities</b>						
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
<b>Total Charitable activities</b>	-	43,938	312	77,095	121,345	629,003
<b>Total resources expended</b>	-	43,938	312	77,095	121,345	629,003
<b>2021 Comparatives</b>	-	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	44,932	32,163	77,095	434,358
2021 comparatives	371,083	63,275	434,358	-

**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	Total 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
2021 Comparatives	356,950	272,053	629,003	-

**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
	<u>23,275</u>	<u>74,467</u>

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 £
<b>Cost</b>	
At 1 September 2021	
Additions	<u>8,938</u>
 <b>At 31 August 2022</b>	 <u><b>8,938</b></u>
<b>Depreciation</b>	
At 1 September 2021	
Charge for the year	<u>8,938</u>
 <b>At 31 August 2022</b>	 <u><b>8,938</b></u>
<b>Net book value</b>	
At 31 August 2022	<u><u>                    </u></u>
At 31 August 2021	<u><u>                    </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><u>1</u></u>	<u><u>1</u></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><u>(2,894)</u></u>	<u><u>(5,503)</u></u>
Total Assets	8,644	10,239
Total Liabilities	<u>(121,936)</u>	<u>(120,636)</u>
Net Liabilities	<u><u>(113,292)</u></u>	<u><u>(110,397)</u></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><b>131,453</b></u>	<u><b>126,846</b></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><b>13,411</b></u>	<u><b>24,459</b></u>

**13. DEFERRED INCOME**

	2022	2021
	£	£
Deferred income brought forward	-	-
Income deferred in the period	-	-
Released in the period	<u>-</u>	<u>-</u>
	<u><b>-</b></u>	<u><b>-</b></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><b>(13,411)</b></u>	<u><b>(24,459)</b></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>
2021 Comparative	£	£	£
Tangible fixed assets	1	-	1
Current assets	493,559	43,339	536,898
Current liabilities	<u>(24,459)</u>	<u>-</u>	<u>(24,459)</u>
	<u>469,101</u>	<u>43,339</u>	<u>512,440</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>
	£	£	£	£	£
<b>Domestic programme funds</b>					
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
<b>Total funds</b>	<b>43,339</b>	<b>21,028</b>	<b>44,250</b>	<b>0</b>	<b>20,117</b>

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>
	£	£	£	£	£
<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>

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

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

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**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