



**Free to Be Kids**

*Registered Charity No: 1165678*

**Trustees' Annual Report and Independently Examined Accounts**  
For the year period ending 31<sup>st</sup> December 2022

## Reference and administrative details

<b>Status:</b>	Charitable Incorporated Organisation
<b>Registered Office:</b>	Living Space 1 Coral Street Lambeth London SE1 7BE
<b>Trustees:</b>	Rosie Macpherson (Chair until February 2023) Amy Gutcher (Treasurer) Debbie Boughtflower (Deputy Chair) Dr Gemma Cheney Madeleine Maxwell-Libby (resigned July 2022) Chris Butterfield (resigned May 2023) Emma Kendall (appointed April 2022; Chair from Feb 2023) Beulah Antonin (appointed April 2022) Leila Shepherd-North (appointed April 2022) Richard Nicholas (appointed April 2022) Elena Davies (appointed May 2023) Olusola Adebisi (appointed September 2023)
<b>Chief executive officers:</b>	Mike Gee Rachel Mugan
<b>Bankers:</b>	HSBC plc
<b>Independent Examiner:</b>	Shruti Soni FCCA FCIE  Shruti Soni Ltd Chartered Certified Accountants 117A St. John's Hill Sevenoaks TN13 3PE

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the accounts. They comply with the charity's governing document, the Charities Act 2011, and the Accounting and Reporting by Charities: Statement of Recommended Practice ("SORP"), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

## Overview:

The particularly vulnerable children Free to Be supports have little other access to time away from often very challenging home circumstances, no access to the benefits of the outdoors or, for increasing numbers, to effective mental health support. The impact of the pandemic and resulting lockdowns, followed quickly by the 2022 cost of living crisis, has been immense. The majority have had the building blocks of good mental health deeply eroded - reaching us with destroyed confidence and very significant challenges around anxiety, resilience, managing frustration/anger, and with most having extremely limited belief in their capacity to achieve. 2022 has seen us deliver deeply impactful work transforming these children's mental health.

We've supported over 250 children to experience joy and adventure on our programmes and to come away reporting vastly improved confidence, increased resilience, gains in the capacity to work together, manage frustration and a reduction in anxiety. Feelings of hopelessness and risk taking behaviour improved as our projects helped vulnerable children develop their stories about themselves, supported them to achieve beyond their own expectations, increased educational aspirations and unlocked children's belief in the power of their own potential.

During the year, investment in increased staffing to support growth in place numbers has coincided with the unexpected cost of living crisis, which saw key residential project costs of food, minibus fuel and external activity provider fees increase dramatically. Combined with unusually low costs in 2021 (due to Covid restrictions preventing the running of residential work for the first half of that year), this has led to a cost jump of 62% from £264,000 (2021) to £428,000 (2022), resulting in a small loss of £16,000 at year end. Given the significant, though very much one-off, fundraising surplus of 2021, the charity had intentionally invested in increased staffing to respond to beneficiary need and consequently had anticipated running a deficit budget through 2022 and 2023 to both support growth and move towards more sustainable operating structures. The charity remains in a financially stable position, holding free unrestricted reserves of approximately four and a half months' operating expenditure, though as with most charities, reliant upon in-year fundraising to deliver its services.

Our 5 year strategy is focussed on long-term follow on support to the highest need young people of the already deeply vulnerable children we work with, including an eventual aim to double place numbers built around sustainable and gradual growth of our existing long-term support pathways: our mentoring, Young Leaders' and Journey programmes. 2022 saw significant financial and time investment towards the foundations which will underpin this focus on long-term support. Throughout the year, Trustees had regard for the guidance issued by the Charity Commission on public benefit when overseeing the activities of the charity.



## Our model - about Free to Be Kids:

Free to Be Kids (colloquially 'Free to Be') supports some of the most vulnerable children in London to rebuild the foundations of positive mental health using the power of nature and the outdoors.

The majority of children referred to us have deeply ingrained negative views of themselves and their potential. Often reinforced by deeply challenging home and school lives, many arrive believing they are different, failing, rejected or alone. The majority have never left their area of London before. Abuse, harm, trauma and neglect characterise the majority of their childhoods. Most families referred to us do not access other mainstream support.

Our residential and mentoring projects support these children to feel proud, brave, adventurous and special, transforming their stories about who they are, and what they can achieve. Using the power of

the outdoors, our programmes are carefully designed using key concepts from attachment, narrative and systems theories to support anxiety, rebuild confidence, address challenges managing anger/frustration, develop resilience and increase aspirations.

The objects of the CIO are, for the public benefit, the relief of children and young people residing in London and the South-East, or any other UK location with a similar need profile as the trustees may from time to time determine, who are in need by reason of their youth, ill-health, disability, financial hardship or other disadvantage via the provision of services that:

- (a) support them to develop better emotional health, build inner strengths to overcome challenges within their lives and consequently to manage better within social relationships at home, school or within their communities.
- (b) provide practical support, advice or guidance.
- (c) increase access to new or enriching experiences that will facilitate social learning and the development of new skills.

Children are referred by Child Protection Social Workers, schools, domestic violence refuges, Young Carers' groups, and others working with some of the most marginalised children in London. Heavily oversubscribed annually, all projects are provided free of charge to families to prioritise access for families in exceptional need. We specialise in working with families described by others as 'hard to reach'.

Children initially attend 'Thrive Outside', a range of 5 day therapeutically structured residential designed to rebuild the foundations of positive mental health (confidence, self-esteem, resilience, positive aspirations) via a carefully scaffolded programme of outdoor activities. The projects are characterised by joy, adventure, belonging and connection and employ high adult:child ratios of 1:2 to ensure every child has the attention, support and care they need to rebuild often deeply damaged narratives about their worth and potential.

Outcomes from the project are extremely strong, including 100% of attendees increasing in confidence and over 90% developing key social and emotional life skills including teamwork, resilience, social problem solving and managing frustration/anger.

Thrive Outside projects intentionally function as a gateway into longer term support facilitated by the relationships of trust built with hard to reach young people via living alongside them on the initial residential. This bridging into in-depth follow-on support for the most in need is central to the Charity's work and is provided through our Journey Programme, a series of 6 specialised small group, high intervention residential attended by the same cohort of older young people (aged 12-15) with complex needs over 18 months, and through our London-based mentoring programme, which provides one-to-one support during evenings and weekends.

Our Young Leaders Programme supports our oldest teenagers (aged 14-17) who, having graduated from our other programmes, are trained and supported to return on Thrive Outside residential as young volunteers. Further developing responsibility, teamwork and key life skills the programme empowers them to complete their journey from beneficiary to leader as they dedicate their own time to role modelling and leadership of younger peers.

We are deeply committed to evaluation and evidencing impact, publishing a detailed Impact Report annually.

*"The children became more confident in their own abilities and potential and are more invested in their future as a result. It has given those who were not able to talk about their lives or concerns previously, the confidence to approach an adult and share their thoughts. The difference these projects make for our most vulnerable pupils is incredible."*

Deputy Headteacher at one of our referring schools

## Structure, Governance and Management

Free to Be Kids is a registered Charitable Incorporated Organisation (C.I.O), registered charity number 1165678, and is governed via its constitution and its 'Policy & Procedures' manual. As an organisation built around delivering direct support to vulnerable children, with an emphasis on residential work, Free to Be recognises the special responsibilities it holds in respect of safeguarding and child protection. Robust safer recruitment procedures are in place governing the recruitment of volunteers. All components of all projects are subject to thorough risk assessment. Where external instructors are required, they are selected in line with the relevant standards for accreditation. Policies in these areas are carefully developed in accordance with current legislation and sector best practice and are reviewed every two years.

The Trustees confirm appropriate insurance is in place covering all activities.

The charity is led by a small paid leadership team with governance provided by the separate Trustee Board. Between them the leadership team have in excess of 40 years' experience leading interventions and residential work with extremely vulnerable young people, charity management and supporting families with complex needs. The charity's safeguarding provision is led by Mike Gee who is a consultant social worker with 19 year's post-qualifying practice and particular experience working with vulnerable children in non-mainstream settings.

Through the financial year the Board undertook an in-depth skills audit and subsequent recruitment process, culminating in the appointment of four new trustees to the Board. New trustees are appointed by due process led by the current trustees, and trustees serve for a term of three years, after which they may be reappointed. Trustee meetings took place at least termly.

The Board includes senior professionals qualified in the following areas of expertise:

Chartered accountancy and financial controls.

Clinical psychology, Social Care and CAMHS.

Residential support and outreach therapeutic youth work.

Charity management and strategy. Looked After Children & foster care.

Management strategy, growth planning, financial modelling

Contract & Property law

Free to Be Kids is run by a small staff team, increasing during 2022 from 4 up to 6, keeping core costs to a minimum. All staff work directly with young people as a key part of their role. The Charity relies upon and benefits immensely from several thousand hours of volunteer support each year. We believe it is the special qualities uniquely brought by volunteers – their particular passion, creativity and commitment to come together to make things work and to do the small things well, which makes what we offer so special.

## Achievements and Performance

The Trustee's primary goals for the 2022 financial year were:

- Following the Board skills audit, complete the recruitment of 3-4 new trustees with skillsets in growth management, fundraising, business development and systems.
- Continue to develop the organisation's sustainability via growing the staff team. In particular release CEO time for growth, fundraising and strategy by recruiting an Operations Manager to lead on day to day mechanics of organising our core projects.
- Complete work on other sustainability and growth related infrastructure projects – database systems for child and volunteer data; refine our project offer.
- Move towards purchase or long-term lease of a year round residential site, removing the need to run projects from in excess of a dozen different 'pop-up' venues per year, vastly increasing efficiency and scalability.
- Increase residential project places to circa 300-330 through 2022 (from 235 in the last full year pre-Covid) to begin growing to respond to increased need.
- Pilot a new longer term support strand ('Saturday Adventure Club') for higher need children who are too young for our Journey Programme, to provide additional ongoing support between residentialials
- Maintain income diversity alongside new grant funding.



- Secure longer term grant funding towards both existing and new salaries required to make the above work possible.
- Continue to operate in line with our reserves policy.

The charity has achieved each of these aims, although the increasingly difficult fundraising climate has led to fewer long-term grant relationships than we had hoped. Key achievements for the period were the growth in diversity and skillset of our Trustee Board, the recruitment of an operations team to ensure we can continue sustainably and efficiently delivering increased project numbers, increased new volunteer numbers after the gap caused by Covid, migration of large numbers of old paper/excel systems to a new database transforming efficiency, and the successful piloting of a new long-term support strand 'Saturday Adventure Club' providing support at weekends between residential. By far the most significant success has been a partnership with the Woodcraft Folk Charity which has seen Free to Be take on a rolling 5 year lease of Cudham Environmental Activity Centre (owned by the Woodcraft Folk) for school holiday periods, providing a sustainable base for our main Thrive Outside projects from 2023 onwards. This will lead to a transformation in efficiency compared to the previous 'pop up' short term hire approach which saw us operate from over 15 different venues in 2022, freeing up staff resources to create additional support for young people.

In line with our strategy to grow sustainably to respond to surging referral numbers the number of residential projects delivered nearly doubled (23 residential projects 2022 up from 13 in 2021), made possible by investment in additional staffing. Total numbers of residential places delivered rose from 193 (2021) to 319 with an increase in individual children supported from 172 to 229, the numbers reflecting a focus on smaller scale projects to maximise impact for our most vulnerable young people.



In November 2022 we were the proud winners of London Youth's Adventure Charity of the Year award, recognising the impact of our innovative outdoor oriented work on children's mental health.



**Programmes delivered were:**

**Thrive Outside Programme** (March-April, July-September & October): Our main programme. Thrive Outside comprises different elements for different young people linked to their need:

(1) Gateway projects for new children at Easter and Summer: week long respite residentials offering safe, adventurous and horizon broadening breaks from home for disadvantaged children from deprived areas of London, designed to rebuild the foundations of positive mental health; (2) follow-on Recurring Respite projects for returning children in the summer and at October half-term; and over the following years, seeing the most in need children return to us year on year to provide support longer term through their childhoods. (3) the most in need young people are supported between residentials via one of our longer-term support strands: the Journey Programme, Mentoring, or our young Leaders Programme.

**Journey Programme** (year round): an 18 month programme consisting of 6 recurring small group residentials for our highest need group of older children, spread across the year and designed to deliver deep impact in supporting harder to reach young people to develop their story about themselves and improve their emotional and mental health.

**Mentoring Programme** (year round): Individualised 12 month mentoring programme for young people who have previously attended a Thrive Outside gateway project and are in need of longer term support to build confidence and aspirations. 30 sessions over a year.

**Young Leaders Programme** (year round) Training, mentoring and supporting our older young people to return on Thrive Outside gateway projects as young leaders, supporting their younger peers. Building employability and life skills in addition to their volunteering.

**(new) Saturday Adventure Club:** (year round) Monthly roving youth group sessions enabling a particularly vulnerable cohort of younger children to explore how our residentials help build good emotional health, then design and attend their own residential to work on teamwork, resilience, anxiety management and overcoming challenge.

**Total participant numbers:**

	Individual young people	Notes:
Thrive Outside	171	231 Thrive Outside residential places provided to 171 children (As via our recurring respite ongoing support strand, higher need children attend multiple times to enhance impact.)
Journey Programme	29	As a rolling 18 month programme, 2 cohorts of 7-8 young people started their journey in 2022, whilst a separate 2 cohorts finished. Total residential project places delivered = 66.
Mentoring programme	16	
Young Leaders' Programme	5	
Saturday Club	22	

*Table refers to individual children participating on each project. Some children attended more than one project/category of project. Total unique children worked with across all projects in 2022 were 229.*

**Referrals & Need:**

We again experienced record demand for our services as the cost of living crisis severely impacted family's mental health, finances, and coping strategies. There were very many incredibly sad stories, including a 10 year old girl who had begun self harming following witnessing her father violently assault and hospitalise her mother, and a 12 year old girl and her mother sleeping in a car having been made homeless.

As usual, referring organisations included a wide range of primary and secondary schools operating in deprived areas of London, specialist homelessness charities, Social Services teams, Young Carers' projects, housing associations and a range of other community and charitable organisations. Families referred were often dealing with multiple, often inter-linked, issues of poverty, emotional and behavioural challenges and historical trauma.

Of those referred to us in 2022:

- **100%** were from extremely disadvantaged backgrounds including having experienced housing instability/homelessness; had a parent experiencing mental health problems or addiction issues; acting as Young Carers; recent experiences of loss/trauma; experienced food poverty.
- **74%** would have had no other break from these circumstances or no other safe access to outdoor spaces.
- **54%** had significant involvement from statutory agencies relating to risk (either being at risk of, or having experienced, school exclusion, or a Social Services referral within the past year.).

For **93%** these difficulties were impacting emotional health, leading to emotional or social difficulties assessed within either their school or home environment. In particular, the majority struggled with issues relating to low self-confidence, low self-esteem and very limited views of their own worth and potential.

### **Volunteers & staffing:**

Volunteers continued to be a crucial resource and growth of our volunteer pool was a key aim for 2022 following Covid having restricted new residential project volunteer recruitment for the 18 months to summer 2021. In total 2022 saw 161 volunteers support our projects with over 15,000 combined volunteering hours, an increase of 60% from 104 volunteers in 2021.

As per last year's report, a core task has been to grow our staff team to prepare for planned growth. Full time equivalent staffing grew from 4 FTE at the end of 2021, to 6 by the end of 2022. Further, limited, staffing growth will be required over the next 2 years to ensure planned delivery aims are sustainable with a forecast of 8 FTE required to deliver the organisation's core work sustainably by late 2024. Securing longer term grants and corporate support to underpin staffing growth, in turn underpinning increased project delivery, remains a key aim for 2023.

### **Impact:**

The trustees place a high value on evidencing the value and impact of the services Free to Be provides. At the end of projects young people complete child focussed feedback forms allowing us to gather their stories, drawings and the words they use to describe the growth and change. Adult volunteers complete observation sheets and structured feedback opportunities are provided for referrers and for parents. In 2022:

- **100%** of children attending developed at least one significantly improved social skill including making/keeping friends; resolving frustrations without lashing out; relating better with adults.
- **98%** self-reported improved indicators of self-esteem and/or social confidence.
- **97%** felt brave enough to try something they had never before felt possible.

For our long term Journey Programme, 100% of young people self-assessed themselves as having increased resilience, anger management, confidence or other core social skills. 90% of parents/carers reported that their children had reduced risk in at least 1 key area following the programme (including risk of school exclusion, becoming involved in criminality and developing mental health problems). 90% of parents/carers reported increased ability to manage better when things go wrong, and 100% of parents/carers reported their child showing improved aspirations and belief that they can achieve more than they had thought by the end of the programme.

Further detail regarding our impact can be found within our 2022 Impact Report:  
[https://bit.ly/FreetoBeKids\\_Impact2022](https://bit.ly/FreetoBeKids_Impact2022)





## Risk Review

The charity did not experience any major incidents of risk relating to its operations, reputation, finances nor the safeguarding or welfare of participants during the period.

Trustees continued to maintain, review and update a register of significant risks to the charity's operation and ongoing effectiveness. The trustees confirm that the major risks to which the charity may be exposed, including risks arising from the pandemic, continue to be kept under review and that systems are in place and functioning effectively to manage any such risks.

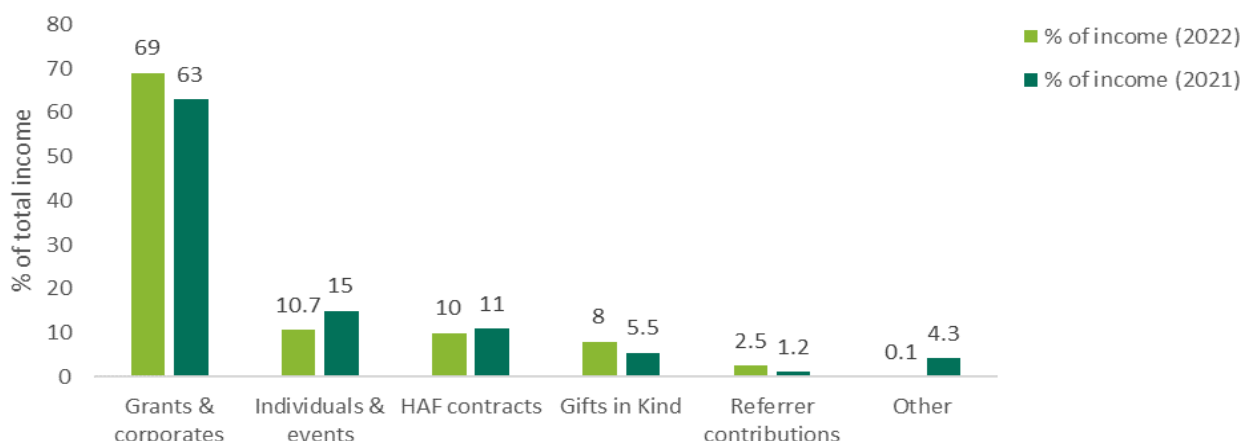
## Financial Review

2022 was a strong fundraising year with income well above the three year trend. Although overall income fell 9.6% in relation to 2021 (2022: £412,030; 2021: £456,809), 2021's results were heavily skewed by Covid impact which saw significant amounts of 2020 income deferred to that year, alongside one-off furlough income. Analysed against our last full operating year pre-Covid, income has more than doubled (2022: £412,030, 2019: £202,985), reflecting similar growth in delivery.

Income from Trusts, Foundations and Corporates remained the largest stream, accounting for approximately 69% of income (£283,832)), followed by individuals giving and sponsored events raising just over £44,000. Successful delivery of local Government contracts under the Government's 'Holiday activity and food programme' (HAF) brought in £41,000 (10%). The balance of income came from gifts in kind (8%) and referrer contributions (2.5%).

A particular success was the launch of our first Fundraising gala event, led by our wonderful corporate partners Higson Consulting, raising £15,371. We again raised over £23,000 via participation in the Childhood Trust's summer 'double your donation' match funded campaign. Both events are areas we are aiming to grow in 2023 as we look to further diversify the reliance on Trusts and Foundations amidst an increasingly challenging national climate for Foundation led giving. The trustees remain incredibly grateful to all the individual donors who ran marathons; sky dived from planes; undertook triathlons, and donated via birthday, wedding, funeral collections and more throughout the year.

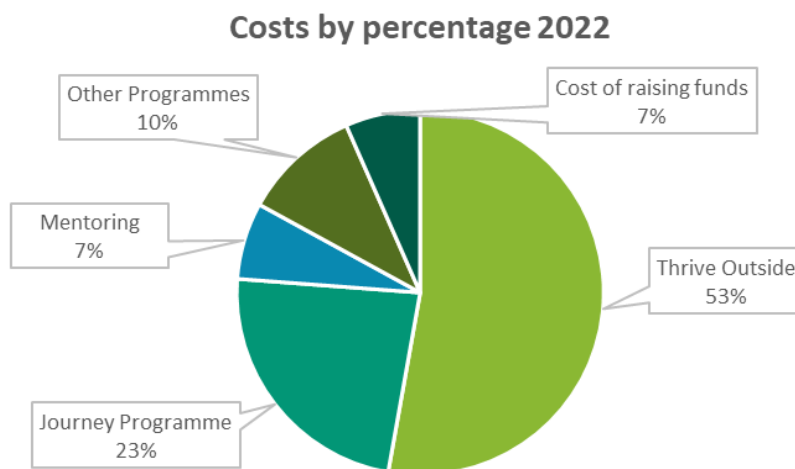
Income by percentage 2022



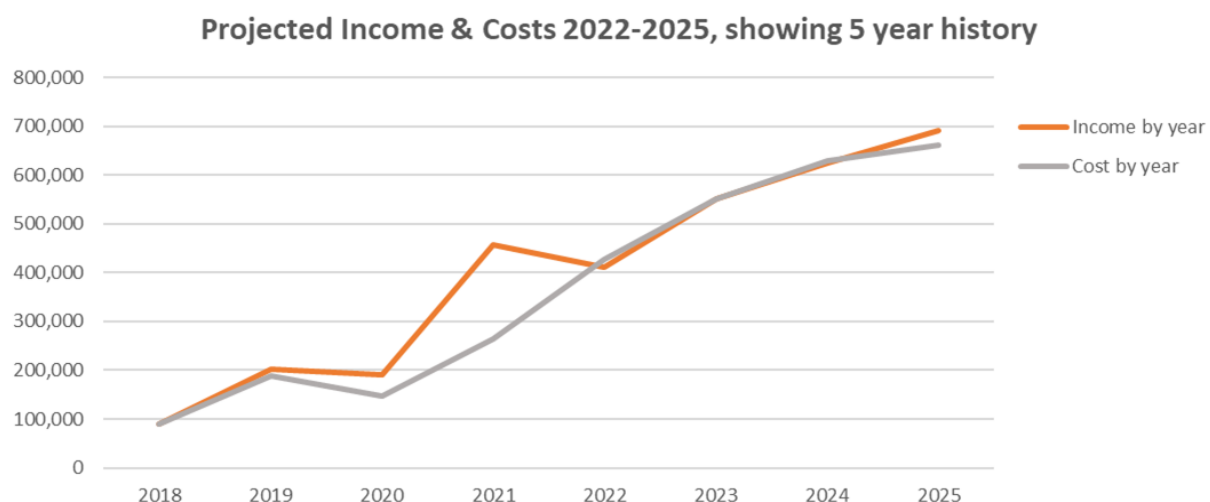
Costs: in line with the strategic decision to invest 2021's one-off surplus in additional staffing to increase residential project places in response to surging demand post-Covid, overall costs have increased 62% to £428,031. Our principal cost remains staffing - the complex needs of the children Free to Be support requires projects are planned and then led on the ground by experienced and skilled staff. As project places grow, consequently so does the organisation's salary needs. Salary and employment related costs increased 62% from £142,362 (2021) to £202,457 this year, driven by planned staffing growth to increase capacity, but also impacted by higher than expected UK inflation. Staff costs are projected to rise to c.£300,000 for 2023 and c.£350,000 in 2024 before stabilising from 2025 as staff numbers grow to support significantly increased project delivery to vulnerable young people.

All staff directly support the planning and running of projects and Free to Be does not employ specialist fundraising or other dedicated ‘back office only’ staff, although a key task for 2023 is to explore whether recruiting a specialist fundraiser is now necessary given the growing size of the organisation and the core aim to ensure all growth is sustainable. 93% of the charity’s expenditure in 2022 related to delivery and management of projects and provision of support to young people including project support costs, with the remaining 7% relating to the cost of raising funds including fundraising support costs and governance. Inevitably as the organisation grows to support more young people, the associated fundraising task will eventually require additional staffing support, but the trustees remain committed that all staff regardless of role will always spend time working directly on projects with vulnerable children as this ensures the charity remains orientated entirely around the needs of the children we support.

Other principal costs were accommodation hire for residential programmes, outdoor activity instructor fees, food, fuel and other consumables directly related to residential project delivery. Investment in a database to better manage child and volunteer data is funded via a specific restricted grant.



Taken together, 2022 again represents a strong set of financial results which reflect that the charity continues to grow significantly and has continued to deliver strong donor confidence whilst doing so. Whilst increased staffing spend has led to a small in-year loss of £16,000, this is in line with projections and is part of a planned deficit budget amidst a strategy of medium term sustainable growth which will see income track just above or below costs for the next two years as the charity invests in sustainability, reflecting the transition from a micro charity pre-Covid to a sustainable small-medium sized charity.



Key aims for 2023-24 are to further imbed sustainability whilst managing steady growth, before a potential step change in the amount of long-term follow-on beneficiary support (mentoring,

Young Leaders, Journey Programmes) from 2025 onwards, though this stage of the growth plan is reliant upon first achieving funding stability at the current level of operations and will not proceed until the Trustees assess the charity is ready. In order to support these sustainability and growth goals, the charity will need the support of longer-term grant funding and corporate donors, and will reach out to funders particularly interested in supporting the sustainable growth of high promise small charities.

### **Reserves statement:**

The Board have kept the charity's reserves policy and position under review throughout the year.

Our policy requires we hold a minimum of three months' operating expenditure in reserve, in addition to sufficient funds to deliver the projects planned in the next six month period.

At the end of the 2022 financial year, projected operating expenditure for 2023 was £23,000 per month, with £68,000 of planned project expenditure anticipated in the first 6 months, therefore requiring a reserves position of £137,000. Free reserves stood at £108,233 (2021: £137,024) at the end of 2022, with an additional £47,206 (2021: £34,416) restricted reserves and a further distinct designated fund of £100,000 targeted to eventual acquisition of a year-round base for the charity. Reserves held were therefore in accordance with the charity's reserves policy.

### **Future development**

Core aims for the 2023 operating period:

- Transition the Thrive Outside programme to run from our new fixed base at Cudham Environmental Activities Centre, leading to significant efficiency savings and underpinning longer term place number growth.
- Further develop the Young Leader programme, both increasing place numbers and extending support to become year round.
- Embed the newly lengthened structure of the Journey Programme (18 months, up from 12 previously), to offer longer term support to our highest need young people.
- Work towards a strategic plan of eventually doubling place numbers over the next 5 years, with the majority of new places being on our longer-term support pathways for higher need young people.
- Continue to invest in our staffing capacity to deliver project place growth that is sustainable, increasing staff numbers to 7 FTE in 2023, and 8 FTE in 2024 (6 currently) with a focus on those areas which underpin sustainable growth - income generation and volunteer recruitment.
- Ensure the quality and 'magic' of our existing projects is maintained as we grow.
- Building on previous skills audits, continue to expand the diversity and skillset breadth of our Trustee Board.
- Continue to operate within our reserves policy.

### **Registered Address & Contact details**

The charity's registered address is:

Free to Be Kids, Living Space, 1 Coral Street, Lambeth, London SE1 7BE  
0203 778 0323; [hello@freetobekids.org.uk](mailto:hello@freetobekids.org.uk); [www.freetobekids.org.uk](http://www.freetobekids.org.uk)

### **Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the



charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- a) select suitable accounting policies and apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgments and accounting estimates that are reasonable and prudent;
- d) state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

### Declarations

The trustees declare that they have approved the contents above as a true reflection of the charity's activities, operations and financial position within the 2022 operating period.

Signed on 26<sup>th</sup> October 2023 on behalf of the trustees:

*Emma Kendall*

Miss Emma Kendall (Chair)

*A.C. Gutter*

Mrs Amy Gutter (Treasurer)





## **Independent Examiner's Report to the Trustees of Free To Be Kids**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2022 which are set out on page 15 to 24.

### **Responsibilities and basis of report**

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### **Independent examiner's statement**

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Association of Chartered Certified Accountant, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

Shruti Soni FCCA FCIE

Date:

Shruti Soni Ltd ● Chartered Certified Accountants

117a St. John's Hill, Sevenoaks TN13 3PE

## Free to Be Kids

### Statement of financial activities (incorporating an income and expenditure account)

#### For the period ended 31 December 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
<b>Income from:</b>							
Donations and legacies	3	166,720	219,132	<b>385,852</b>	170,134	280,864	450,998
Charitable activities							
Thrive Outside Gateway	5	25,895	–	<b>25,895</b>	5,640	–	5,640
Other trading activities		223	–	<b>223</b>	158	–	158
Investments		60	–	<b>60</b>	13	–	13
<b>Total income</b>		<b>192,898</b>	<b>219,132</b>	<b>412,030</b>	<b>175,945</b>	<b>280,864</b>	<b>456,809</b>
<b>Expenditure on:</b>	7						
Raising funds		17,045	–	<b>17,045</b>	1,580	–	1,580
Charitable activities		210,568	200,418	<b>410,986</b>	13,085	249,671	262,756
<b>Total expenditure</b>		<b>227,613</b>	<b>200,418</b>	<b>428,031</b>	<b>14,665</b>	<b>249,671</b>	<b>264,336</b>
<b>Net income / (expenditure) for the year</b>	8	<b>(34,715)</b>	<b>18,714</b>	<b>(16,001)</b>	<b>161,280</b>	<b>31,193</b>	<b>192,473</b>
Transfers between funds		5,924	(5,924)	–	–	–	–
<b>Net movement in funds</b>		<b>(28,791)</b>	<b>12,790</b>	<b>(16,001)</b>	<b>161,280</b>	<b>31,192</b>	<b>192,472</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		237,024	34,416	<b>271,440</b>	75,744	3,224	78,968
<b>Total funds carried forward</b>		<b>208,233</b>	<b>47,206</b>	<b>255,439</b>	<b>237,024</b>	<b>34,416</b>	<b>271,440</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

# Free to Be Kids

## Balance sheet

As at 31 December 2022

	Note	£	2022 £	£	2021 £
<b>Fixed assets:</b>					
Tangible assets	12		<u>11,847</u>		<u>17,771</u>
			<b>11,847</b>		<b>17,771</b>
<b>Current assets:</b>					
Debtors	13	12,186		2,361	
Cash at bank and in hand		<u>313,108</u>		<u>333,543</u>	
		<b>325,294</b>		<b>335,904</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	14	<u>81,702</u>		<u>82,234</u>	
<b>Net current assets / (liabilities)</b>			<b>243,592</b>		<b>253,670</b>
<b>Total assets less current liabilities</b>			<u><b>255,439</b></u>		<u><b>271,441</b></u>
<b>Total net assets / (liabilities)</b>	16		<u><b>255,439</b></u>		<u><b>271,441</b></u>
<b>The funds of the charity:</b>	17				
Restricted income funds			<b>47,206</b>		<b>34,416</b>
Unrestricted income funds:					
Designated funds		100,000		100,000	
General funds		<u>108,233</u>		<u>137,024</u>	
Total unrestricted funds			<u><b>208,233</b></u>		<u><b>237,024</b></u>
<b>Total charity funds</b>			<u><b>255,439</b></u>		<u><b>271,440</b></u>

Approved by the trustees on 26.10.23 and signed on their behalf by

*Emma Kendall*

Name: Emma Kendall

**1 Accounting policies**

**a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

**b) Public benefit entity**

The charitable meets the definition of a public benefit entity under FRS 102.

**c) Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**d) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**e) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**f) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**g) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.



**1 Accounting policies (continued)**

**h) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of offering residentials and delivering related services undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**i) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of estimated staff time attributable to each activity.

**j) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- |                  |         |
|------------------|---------|
| ● Motor Vehicles | 4 years |
|------------------|---------|

**k) Debtors**

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

**l) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

**m) Creditors and provisions**

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

The charity only 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 their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## Notes to the financial statements

## For the period ended 31 December 2022

## n) Pensions

The charity contributes towards the employees' personal pension schemes. The cost of the contribution is charged to the statement of financial activities on an accrual basis.

## 3 Income from donations and legacies

	Unrestricted £	Restricted £	2022 total Total £	2021 Total £
Grants and small donations	166,720	186,820	353,540	426,069
Donation in kind (note 4)	–	32,312	32,312	24,929
	<u>166,720</u>	<u>219,132</u>	<u>385,852</u>	<u>450,998</u>

## 4. Donation in kind

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Donation in kind includes				
Venue room hire		18,158	18,158	11,913
Vehicle maintenance		1,981	1,981	–
Equipment & consumables		4,833	4,833	11,264
Training		300	300	–
Professional services		5,000	5,000	–
Software		2,040	2,040	1,752
	<u>–</u>	<u>32,312</u>	<u>32,312</u>	<u>24,929</u>

## 5 Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Thrive Outside Gateway	25,895	–	25,895	5,640
Total income from charitable activities	<u>25,895</u>	<u>–</u>	<u>25,895</u>	<u>5,640</u>

Charity has awarded subsidies of £60,508 to the participating schools and organisations. This has been netted off against the receipt of Referrer contributions £86,403.

## 6 Income from other trading activities

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Other sales	223	–	223	158
	<u>223</u>	<u>–</u>	<u>223</u>	<u>158</u>

## Free to Be Kids

### Notes to the financial statements

For the year ended 31 December 2022

#### 7 Analysis of expenditure

	Cost of raising funds £	Charitable activities					2022 Total £	2021 Total £
		Thrive Outside Gateway £	Journey Programme £	Mentoring Programme £	Other programmes £	Support costs £		
Staff costs (Note 9)	15,261	71,909	37,638	12,062	20,048	45,539	202,457	142,362
Recruitment, training and retention	–	906	–	–	–	8,836	9,742	–
Travel	170	2,023	1,045	623	598	3,246	7,705	–
Programme costs	–	26,615	11,803	7,303	2,759	985	49,465	118,764
Food & Household	5	9,584	7,059	427	2,019	1,601	20,695	–
Equipment & consumables	98	1,357	84	2	64	11,455	13,060	1,580
Insurance cost	–	–	–	–	–	3,756	3,756	–
Office cost and Admin expenses	–	28	–	–	–	571	599	–
Professional fees	–	–	–	–	–	10,000	10,000	–
Telephone, IT systems and software	836	1,057	211	–	14	6,035	8,153	–
Vehicle costs	–	13,131	5,829	–	255	2,723	21,938	–
Venue Hire	675	46,872	9,209	–	4,111	11,184	72,051	–
Depreciation	–	–	–	–	–	5,924	5,924	–
Independent examination	–	–	–	–	–	2,486	2,486	1,630
	17,045	173,482	72,878	20,417	29,868	114,341	428,031	264,336
Support costs	11,120	52,398	27,426	8,789	14,608	(114,341)	–	–
<b>Total expenditure 2022</b>	<b>28,165</b>	<b>225,880</b>	<b>100,304</b>	<b>29,206</b>	<b>44,476</b>	<b>–</b>	<b>428,031</b>	<b>264,336</b>
Total expenditure 2021	1,580	262,756	–	–	–	–	264,336	

Of the total expenditure, £227,613 was unrestricted (2021: £14,665) and £200,418 was restricted (2021: £249,671).

**8 Net incoming resources for the year**

This is stated after charging / crediting:

	2022 £	2021 £
Depreciation	5,924	5,924
Trustees' remuneration	Nil	Nil
Trustees' expenses	Nil	Nil
	<u>5,924</u>	<u>5,924</u>

**9****Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	177,961	101,073
Social security costs	15,808	29,583
Employer's contribution to defined contribution pension schemes	8,688	11,706
	<u>202,457</u>	<u>142,362</u>

No employee earned more than £60,000 during the year (2021: nil).

The total employee benefits including pension contributions of the key management personnel were £89,362 (2021: £4,070).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

**10 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022 No.	2021 No.
Charitable activities	5.5	4.0
	<u>5.5</u>	<u>4.0</u>

**11 Related party transactions**

There are no related party transactions to disclose for 2022 (2021: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.



**12 Tangible fixed assets**

	Motor vehicles £	Total £
<b>Cost or valuation</b>		
At the start of the year	23,695	<b>23,695</b>
Additions in year	–	–
	<hr/>	<hr/>
At the end of the year	23,695	<b>23,695</b>
	<hr/>	<hr/>
<b>Depreciation</b>		
At the start of the year	5,924	<b>5,924</b>
Charge for the year	5,924	<b>5,924</b>
	<hr/>	<hr/>
At the end of the year	11,848	<b>11,848</b>
	<hr/>	<hr/>
<b>Net book value</b>		
At the end of the year	11,847	<b>11,847</b>
	<hr/>	<hr/>
At the start of the year	17,771	17,771
	<hr/>	<hr/>

All of the above assets are used for charitable purposes.

**13 Debtors**

	2022 £	2021 £
Trade debtors	3,620	–
Other debtors	1,847	–
Prepayments	6,719	2,361
	<hr/>	<hr/>
	12,186	2,361
	<hr/>	<hr/>

**14 Creditors: amounts falling due within one year**

	2022 £	2021 £
Accruals	1,020	1,020
Deferred income	80,682	81,214
	<hr/>	<hr/>
	81,702	82,234
	<hr/>	<hr/>

**15 Deferred income**

Deferred income comprises grant funding received in advance that relates to future years:

	2022 £	2021 £
Balance at the beginning of the year	81,214	101,501
Amount released to income in the year	(81,214)	(101,501)
Amount deferred in the year	80,682	81,214
	<hr/>	<hr/>
Balance at the end of the year	80,682	81,214
	<hr/>	<hr/>

## 16 Analysis of net assets between funds

	General unrestricted £	Designated £	Restricted £	Total funds 2022 £
Tangible fixed assets	–	–	11,847	11,847
Net current assets	108,233	100,000	35,359	243,592
<b>Net assets at the end of the year</b>	<b>108,233</b>	<b>100,000</b>	<b>47,206</b>	<b>255,439</b>

	General unrestricted £	Designated £	Restricted £	Total funds 2021 £
Tangible fixed assets	–	–	17,771	17,771
Net current assets	137,024	100,000	16,645	253,669
<b>Net assets at the end of the year</b>	<b>137,024</b>	<b>100,000</b>	<b>34,416</b>	<b>271,440</b>

## 17 Movements in funds

	At the start of the year 2022 £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year 2022 £
<b>Restricted funds:</b>					
Programme funds					
Thrive Outside Gateway	4,645	132,288	(101,574)	–	35,359
Journey Programme	–	21,012	(21,012)	–	–
Other programmes	–	16,012	(16,012)	–	–
Project support – staffing	12,000	36,865	(48,865)	–	–
Project support – other	17,771	12,955	(12,955)	(5,924)	11,847
<b>Total restricted funds</b>	<b>34,416</b>	<b>219,132</b>	<b>(200,418)</b>	<b>(5,924)</b>	<b>47,206</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Developing future sites	100,000	–	–	–	100,000
<b>Total designated funds</b>	<b>100,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>100,000</b>
General funds	137,024	192,898	(227,613)	5,924	108,233
<b>Total unrestricted funds</b>	<b>237,024</b>	<b>192,898</b>	<b>(227,613)</b>	<b>5,924</b>	<b>208,233</b>
<b>Total funds</b>	<b>271,440</b>	<b>412,030</b>	<b>(428,031)</b>	<b>–</b>	<b>255,439</b>

## 17 Movements in funds (continued.....)

	At the start of the year 2021 £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year 2021 £
<b>Restricted funds:</b>					
Programme funds					
Thrive Outside Gateway	3,224	158,320	(156,899)	–	<b>4,645</b>
Journey Programme	–	29,023	(29,023)	–	–
Other programmes	–	2,500	(2,500)	–	–
Project support – staffing	–	64,521	(52,521)	–	<b>12,000</b>
Project support – other	–	26,500	(8,729)	–	<b>17,771</b>
<b>Total restricted funds</b>	<b>3,224</b>	<b>280,864</b>	<b>(249,672)</b>	<b>–</b>	<b>34,416</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Developing future sites	–	–	–	100,000	<b>100,000</b>
<b>Total designated funds</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>100,000</b>	<b>100,000</b>
General funds	75,744	175,945	(14,665)	(100,000)	<b>137,024</b>
<b>Total unrestricted funds</b>	<b>75,744</b>	<b>175,945</b>	<b>(14,665)</b>	<b>–</b>	<b>237,024</b>
<b>Total funds</b>	<b>78,968</b>	<b>456,809</b>	<b>(264,337)</b>	<b>–</b>	<b>271,440</b>

**Purposes of restricted and designated funds**

Restricted funds are those where the donor has restricted the purpose to our residential projects and to the core costs of the charity – specifically the salaries of the joint CEOs and operational staff. Within unrestricted funds are designated funds of £100,000 – these are funds that the Trustees have designated for use in developing a future site for projects, in line with the charity's strategy to grow its impact.