



Free to Be Kids

Registered Charity No: 1165678

Trustees' Annual Report and Unaudited Financial Statements
For the year period ending 31st December 2021

Reference and administrative details

Status: Charitable Incorporated Organisation

Registered Office: Living Space
1 Coral Street
Lambeth
London
SE1 7BE

Trustees: Mrs Rosie Macpherson (nee Atkinson) (Chair)
Mrs Amy Gutcher (Treasurer)
Mrs Debbie Boughtflower (Deputy Chair)
Ms Madeleine Maxwell-Libby (resigned July 2022)
Mr Chris Butterfield
Dr Gemma Cheney
Mr David van Eeghen (resigned December 2021)
Mrs Beulah Antonin (appointed April 2022)
Mrs Leila Shepherd-North (appointed April 2022)
Mrs Emma Kendall (appointed April 2022)
Mr Richard Nicholas (appointed April 2022)

Chief executive officers: Mike Gee
Rachel Mugan

Bankers: HSBC plc

Independent Examiner: 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 2021.

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 to the breathing space of nature. The impact of the pandemic and resulting lockdowns was profound for most, with 2021 referrals seeing a doubling of the prevalence of domestic violence and significant mental health challenges amongst primary school aged children referred to us for support. Children need what we can offer more than ever before. In response 2021 was a year of significant growth, both in terms of income, but also in terms of staffing and organisational capacity as Free to Be grows to deliver on its commitment to support increasing numbers of vulnerable young people.

2021 was also a year of rising to, and overcoming, challenges. National Covid restrictions continued to prevent the running of any residential projects until July and alternative project structures (localised 'adventure days', online delivery) needed to continue through the first part of the year. We campaigned passionately on behalf of vulnerable children that they should have access to the same rights to time in the outdoors that more affluent families enjoyed. And when Covid restrictions did ease in July 2021, we were incredibly proud to be one of the first organisations nationally to resume running residentially solely for disadvantaged children – being away on residential projects for vulnerable children only four days after restrictions eased to allow it.

As the need for our work grows, there is an increased need to review and adapt our ways of working to ensure growth is sustainable. 2021 saw the first steps towards implementation of a four year plan to build our staff team and volunteer base, review and hone our programmes, enhance our Board, and grow our income streams with the aim of supporting Free to Be to grow from a young, small charity of real potential, to an established medium sized charity with sustainable finances, all whilst continuing to deliver deep and powerful impact for the particularly vulnerable children who need us the most.

Objectives and Activities

Free to Be Kids (colloquially 'Free to Be') supports particularly vulnerable children and young people in London who are struggling with, or who are at risk of developing, emotional health difficulties. Included within this are many children who are currently being prevented from fulfilling their potential, both at school and in their wider lives, by difficulties with low confidence and self-esteem, challenges managing social relationships, or significantly negative views of themselves and their capacity to achieve. The Trustees have regard for the guidance issued by the Charity Commission on public benefit when overseeing the activities of the charity.

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.

We support these children by providing a range of therapeutically structured and nature based residential programmes (both one-off respite and longer-term intervention); young leaders' projects; and local mentoring, which support vulnerable children to change their stories about who they are, and who they can be.

In turn this supports young people to feel and to do better, at school, at home, and in their wider lives. Our projects are educational in the broadest of senses – helping young people who have experienced significant disadvantage to learn about the world, themselves and to further develop their confidence, self-belief and the broader social and emotional skillset needed to thrive.

Our main programme, Thrive Outside, offers a range of nature based residential projects and respite breaks across the year, which are structured in ways which enable participation from young people who would be unlikely to successfully engage with more mainstream support for their emerging emotional or mental health challenges. Common barriers to accessing support include poverty, the extent of their emotional or behavioural difficulties or ingrained negative views of adults due to interactions at school, home, or elsewhere. Our projects are carefully structured to overcome these barriers and support children and young people to find a sense of belonging and connection. Longer term follow-on support for the most in need is provided through our Journey Programme, a series of small group, high intervention, residentials attended by the same cohort of young people with complex needs over a year, and through our London-based mentoring programme, which provides one to one support during evenings and weekends.

Our Young Leader's programme supports teenagers who have particularly benefited from our projects but who are too old to return on Thrive Outside as participants, to be trained to return as Young Leaders, providing incredible role modelling and support to younger peers.

Free to Be is also able to create bespoke commissioned residential projects for particularly vulnerable young people, as and when capacity allows. Increasingly, we are looking to influence the sector via the provision of advice and support to smaller volunteer run organisations running residential projects for disadvantaged young people.

Free to Be aims to work in partnership with organisations offering ongoing work, including work with parents, so that our residentials and other projects form part of a wider, multi-organisation package of support that adds up to more than the sum of its parts.

We are committed to continuing to measure the impact of the change we support in young people.

Free to Be is run by a small staff team, increasing during the year from 3 up to 4, keeping core costs to a minimum. 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.

Model

Free to Be's focus is on children's emotional worlds – helping disadvantaged children to experience pride, exploration and adventure whilst supporting them to feel free to be children during their time with us, away from the weight and challenges of often complex home lives. First and foremost, we're a children's emotional health charity who use the power of residentials and time spent in the outdoors to create meaningful change, rather than a 'holiday' or 'summer camp' focussed organisation. Crucially, we aim to use the in-depth relationships built with 'hard to reach' children on their initial residential, to provide in-depth support to those most in need throughout the year.

We work with schools, Social Services and other organisations to reach the children who need this type of support the most.

Many of the children we support arrive with beliefs about themselves that they are ‘unimportant’, ‘bad’, ‘failing’, ‘a problem’ or somehow ‘broken’, ‘damaged’ or ‘different’. Free to Be fundamentally believes that every child deserves to experience joy and adventure within their childhood.

As a result, we structure all of our projects to support children to more often feel special, proud and valued and to provide regular opportunities to feel successful and brave. Nature, the outdoors, creative arts, engaging with animals and cooking are key parts of most projects. Many learn to swim, ride a bike or camp out for the first time and meet adults with backgrounds and perspectives very different from their own. Children come away with memories which last a lifetime, and with a much richer sense of their own potential.

Our model is built around the concepts of attachment, resilience and working relationally and empathetically to help young people explore who they are and who they want to be in the world. Projects incorporate the concept of the ‘safe stretch zone’ to support young people to feel safe to explore new beliefs about themselves. Participating in new experiences, overcoming safe challenge and experiencing learning in a space very different to traditional classroom environments helps children who are often struggling in mainstream education to develop greater self-esteem, build confidence and resilience, develop social problem solving skills, and to identify leadership or other qualities which have perhaps not come to the fore in other settings. For many, it marks a real change in how they think and feel about themselves. In turn, opening up new paths for their future.

Many of our most vulnerable young people return to us year on year with our respite projects becoming an integral part of their childhoods. As the charity grows our ambition is to continue to develop our long-term support offer even further, creating maximum benefit from the initial residential children attend.

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. The charity is commonly known as ‘Free to Be’. 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. Safer recruitment procedures are in place governing the recruitment of volunteers to projects and include: enhanced DBS checks renewed at least every three years, provision of two references, in-person interviews, and completion of a training/selection course covering safeguarding, boundaries, behaviour support and other core topics. All components of projects, from use of residential sites and minibuses to every activity session, 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.

Free to Be has Public Liability and Personal Accident insurance in place covering all of its 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 thirty-five 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 eighteen year’s post-qualifying practice and particular experience working with vulnerable children in non-mainstream settings. Further detail regarding the leadership team’s background and experience is available at www.freetobekids.org.uk.

The trustees during the financial period were:

Mrs Rosie Macpherson (nee Atkinson) (Chair)

Mrs Debbie Boughtflower (Deputy Chair)

Mr Chris Butterfield

Mr David van Eeghen (resigned December 2021)

Mrs Amy Gutcher (Treasurer)

Ms Madeleine Maxwell-Libby

Dr Gemma Cheney

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 (commencing April 2022). 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 continued to take place at least termly.

The Board includes senior professionals qualified in the fields of charity accountancy, clinical psychology and family law and encompasses the following areas of expertise:

Chartered accountancy and financial controls.

Clinical psychology, Social Care and CAMHS.

Public and private family law; UK Court system.

Residential support and outreach therapeutic youth work.

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

Management strategy, growth planning, financial modelling (from the 2022 financial year)

Sales and marketing (from the 2022 financial year)

Fundraising (from the 2022 financial year)

Contract & Property law (from the 2022 financial year)

Achievements and Performance

The Trustee's primary goals for the 2021 financial year were:

- Continue providing in-depth support, virtual where needed, to existing young people, whatever challenges the pandemic creates.
- Advocate powerfully on behalf of vulnerable children for a return to residential opportunities.
- Ensure the charity's financial and staffing position will allow the delivery of increased place numbers as soon as this becomes possible, in recognition of the huge need and demand for this work as we emerge from the pandemic.
- Secure longer term grant funding towards both existing and new salaries required to make the above work possible.
- Maintain income diversity alongside new grant funding, building on 2020's success with individual donations and sponsored events.
- Seek to deliver residential work within the Government's HAF programme, securing contracts with at least 3 London Boroughs.
- Create a new strategic plan for 2021-23, aiming to meet expressed need by increasing residential project place numbers by the end of that period by a minimum of 50% from 225 (2019 - pre-Covid) to 340, and aspirationally towards 450 (a 100% increase from 2019).
- Continue to operate in line with our reserves policy.

The charity has achieved each of these aims, although as the charity continues to grow there is further work to do on longer term grant funding. Key achievements for the period were the successful resumption of our Thrive Outside, Journey Programme and recurring respite residential projects once Covid restrictions permitted from July 2021 onwards; the growth of our staff team for 3 to 4 also in July; design of a new 'Saturday Adventure Club' follow on support strand for young people after residential project attendance, led by our new senior youth worker and scheduled to launch January 2022; securing local Government contracts via the HAF scheme; diversifying income via a focus on fundraising events and online campaigns; and finally more than doubling our income both from 2020, but also from 2019 - the last year our finances were not impacted by Covid.

The number of residential projects delivered remained broadly steady despite losing the February and May half-terms, and Easter, to Covid restrictions, leaving the charity in a strong position to deliver a significant increase in 2022. (13 residential projects delivered July-December 2021 compared to 15 January-December 2019. Ground work in place to grow this to 24 residential projects per year by the end of 2022.) Total numbers of residential places delivered dropped slightly from 235 (2019) to 193 (2021) principally due to Covid restrictions limiting the maximum size of summer 2021 projects and as residential projects were only legally runnable from July. The number

of individual young people supported remained steady (169 in 2019, 172 in 2021) as children were supported via non-residential projects in the earlier part of the year.

Programmes delivered were:

Thrive Outside Programme (July-September 2021; October 2021): Our main programme. Thrive Outside comprises different elements for different young people linked to their need: (1) Gateway projects for new children at Easter (in ordinary years) and Summer: week long respite residential offering safe, adventurous and horizon broadening breaks from home for disadvantaged children from boroughs across London; (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 residential via one of our longer-term support strands: the Journey Programme, Mentoring, or our young Leaders Programme.

Thrive Journey Programme (year round): a series of recurring small group residential for our highest need group of older children, spread across the year and aimed to have deep impact in supporting harder to reach young people to develop their story about themselves.

Thrive 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 broaden horizons.

Young Leaders Programme Continuing to train, mentor and support some of our older young people who return on Thrive Outside gateway projects as young leaders, supporting younger peers.

Covid response Adventure Day Projects: (April 2021) With Thrive Outside residential still unable to run in the first half of 2021 due to Covid restrictions, we continued to deliver our 2020 Covid response day projects. Projects were designed to bring the core elements of our residential model to children’s local area, with minibus groups of children picked up from and dropped back to home after a day of adventure and support via local activities.

Total participant numbers:

	Individual young people	Notes:
Thrive Outside Gateway/Recurring Respite	158	These two programmes were merged in 2021 with a mix of new and returning children on all projects.
Journey Programme	14 (28)	2 cohorts (one of 8 children, one of 6) attending 2 projects each (3 rd and 4 th projects fall in 2022 financial year).
Mentoring programme	10	
Young Leaders' Programme	8	
Covid response 'Adventure Day' Projects	46	

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 2021 were 172.

Referrals & Need:

We experienced significant demand for our services as the country began to open up post-Covid. In general, young people referred presented with a higher level of need with a doubling of the prevalence of domestic violence related issues within referrals. There were very many incredibly sad stories, including one 9 year old girl who would sneak the bread knife from the kitchen and use it to cut herself quietly in her room, to an 8 year old boy whose first ever birthday party was interrupted by his father violently assaulting his mother whilst under the influence of class A drugs, with the Police then raiding the house and arresting the father in front of the young boy’s friends.

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. Referrer's primary goals were: for children referred to grow in confidence and self-esteem by being supported to take on and overcome new challenges; to have a fresh/neutral safe space to practice social skills; to make lasting happy memories and experience growth in feelings of pride, value and adventure amidst what for many were exceptionally challenging circumstances.

Of those referred to us in 2021:

- **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/material poverty.
- **80%** would have had no other break from these circumstances or no other safe access to outdoor spaces.
- **55%** 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 **98%** 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. Without the capacity to induct and train new volunteers for much of 2020 and the first half of 2021, new volunteer recruitment and retention was a key focus area in the second half of the year. In total 104 volunteers supported our projects through 2021.

As per our 2020 report, a core task has been to grow our staff team to prepare for planned growth. Full time equivalent staffing grew from 2.4 FTE at the end of 2020, to 4 by the end of 2021. Further staffing growth will be required to ensure planned 2022 delivery aims are sustainable. Securing longer term grants to underpin staffing growth, in turn underpinning increased project delivery, is a key aim for 2022.

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 themselves. Adult volunteers complete observation sheets and structured feedback opportunities are provided for referrers and for parents. In 2021:

- **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.

In subsequent follow up with referrers (largely school SENCOs but also social-workers/youth-workers) **100%** of those responding reported change in emotional health/social skills which endured into the new school term including better peer interactions; managing better when things go wrong; having greater belief in their own potential.

Further detail regarding the specific performance and impact of the charity's work in 2021, particularly work in response to the pandemic, can be found within our 2021 Impact Report, accessible here:

https://www.freetobekids.org.uk/_files/ugd/02c029_2ec3af1f59c743eeb9fb30b6e9d7f124.pdf

Risk

As for all charities, the Covid pandemic presented a significant risk to our services and financial stability. 2021 saw us return to our pre-pandemic residential delivery model from July onwards, whilst maintaining significant risk mitigations implemented during Covid.

Beyond Covid, 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.

The 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

The charity has this year moved its financial year end from 6th to 31st December annually. As a result the below accounts refer to a period of just under 13 months from 6th December 2020 to 31st December 2021.

2021 was a very successful fundraising year, with significant income growth. Having previously experienced strong growth 2018 to 2019 (income more than doubling from £90,585 to £202,985, project and beneficiary numbers seeing similar growth), the impact of Covid had then seen income experience a 6% dip in 2020, dropping to £191,555. However substantial fundraising work, alongside some restricted grants being deferred from 2020 to 2021 as linked projects were deferred due to Covid restrictions, has seen 2021 income more than double to £456,809.

As last year, a strength compared to pre-Covid was diversity of income streams. Although income from grants and corporates remained the largest stream, accounting for approximately 63% of income (2020: 62%), funds from individuals and sponsored events raised just over £70,000 (15% of income; 2020: c.£25,000 at 13% of income). Successful delivery of local Government contracts under the Government's 'Holiday activity and food programme' (HAF) brought in £48,000 (11%). The balance of income coming from gifts in kind, referrer contributions and part-time use of the furlough scheme in the early months of 2021. Contributions to residential place costs from referrers remained low at £5,640, approximately half of an ordinary year pre-Covid, reflecting the loss of the Easter residential project season, and place number limitations in summer, due to Covid restrictions. The trustees remain incredibly grateful to all the individual donors who ran marathons; canoed down rivers; ran, quite literally, the length of Wales; cycled the British coastline and donated the proceeds from birthdays, weddings, funerals and more throughout the year.

Costs have also seen significant growth, though at a delayed rate compared to income, increasing 80% from £146,630 in 2020 to £264,336 this year. Further increases to circa £370,000 per annum are projected for 2022. Some caution is required in analysing 2021 costs in isolation. Just as 2021 income is pushed upwards by the impact of Covid with 2020 funds brought forward to the 2021 year, costs are pushed lower via Covid restrictions making 2021 very much a year of two halves in terms of expenditure - six months of Covid level lower cost delivery via day projects and online with a low staffing base, and six months of ramped up delivery which will continue, and grow further, next year. The 2022 cost projection of £370,000 is therefore a more realistic one for future annual costs at this scale of delivery.

The principal cost is by far 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 bill. Employment costs increased by 65% from £92,170 (2020) to £142,362 this year. These are projected to rise to c.£210,000 in 2022 and c.£300,000 for 2023 onwards 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. Consequently, just under 99% of

the charity's expenditure in 2021 again related directly to delivery and management of projects and provision of support to young people. With circa 1.4% relating to governance and the cost of raising funds. 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.

2021 also saw the charity invest £24,000 in acquiring its own minibus, this being a more reliable and cost efficient option over the long term compared to hiring for increased numbers of projects. This purchase was made possible by the generous support of Newton Consulting and the trustees again extend their thanks for the very significant efficiency benefits this donation has brought. Other principal costs were accommodation hire for residential programmes, outdoor activity instructor fees, food, fuel and other consumables related to residential project delivery.

Taken together, 2021 represents a very successful set of financial results which reflect that the charity has begun to grow significantly and has continued to deliver strong donor and stakeholder confidence in its outcomes whilst doing so. Significantly increased income alongside a delayed increase in costs (much of which will not be seen until the 2022-23 years) has led to a surplus of income over expenditure this year of £192,473. This is of course very much welcomed, but it is important to view this in the context outlined above with a surplus of this size very much a one off product of the unusual operating circumstances created by Covid during 2020-21. Nevertheless, the charity is well placed for future growth as a result.

In order to ensure growth continues, but also that operations at increased scale can be delivered sustainably, significant further investment in staffing and infrastructure will be required over the next 3 year period. Crucially, the 2021 surplus of income over expenditure has allowed the trustees the opportunity to create a designated fund set aside towards future costs of eventual acquisition of a year-round residential base – a key sustainability goal given the human resource and financial costs of delivery from over a dozen different venues currently planned for 2022. £100,000 is currently designated to support this transition and the associated changes in staffing and related structures. Similarly, the charity will transition to more sustainable internal operating structures throughout the next year, moving to a database system to hold the rapidly expanding child and volunteer data, shift to an outsourced Xero accounting system, and invest in the operations staffing required to organise the increasingly complex logistics of delivering a planned increase to 24 residentials and 325 residential places in 2022, a jump of 60-70% from the 15 residentials and 235 places delivered in the last full year pre-Covid. 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 the charity 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 2021 financial year, projected operating expenditure for 2022 was £20,000 per month, with £65,000 of planned project expenditure anticipated in the first 6 months, therefore requiring a reserves position of £125,000. Free reserves stood at £137,024 (2020: £75,744) at the end of 2021, with an additional £16,645 (2020: 3,224) restricted reserves and, as detailed above, a 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 2022 operating period:

- Following 2021's successful 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 the 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 residential
- Secure longer term grant funding towards both existing and new salaries required to make the above work possible.
- Maintain income diversity alongside new grant funding, building on 2020 and 2021's success with individual donations and sponsored events.
- Develop a new strategic plan for the period up to 2025, aiming to support further growth of place numbers whilst also increasing organisational capacity and sustainability, culminating in transitioning Free to Be Kids from a small local charity to a medium sized regional charity by 2025. This plan to support place number growth from projected 300-330 places in 2022, to above 600 places by the end of 2025 in order to respond to pressing need.
- Continue to operate in line with 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; 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 2020-21 operating period.

Signed on 26th October 2022 on behalf of the trustees:



Mrs Rosie Macpherson (Chair)



Mrs Amy Gutcher (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 2021 which are set out on page 14 to 23.

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

Shruti Soni FCCA FCIE

Date: 27/10/2022

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 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations and legacies	3	170,134	280,864	450,998	44,657	113,809	158,467
Charitable activities							
Charitable Activities	5	5,640	-	5,640	4,900	-	4,900
Other trading activities		158	-	158	-	-	-
Investments		13	-	13	81	-	81
Other		-	-	-	-	28,108	28,108
Total income		175,945	280,864	456,809	49,638	141,917	191,555
Expenditure on:							
Raising funds	7	1,580	-	1,580	19	38	57
Charitable activities		13,085	249,671	262,757	7,919	138,605	146,524
Other		-	-	-	-	50	50
Total expenditure		14,665	249,671	264,336	7,937	138,693	146,630
Net income / (expenditure) for the year	8	161,280	31,192	192,473	41,700	3,224	44,924
Transfers between funds		-	-	-	-	-	-
Net movement in funds		161,280	31,192	192,473	41,700	3,224	44,924
Reconciliation of funds:							
Total funds brought forward		75,744	3,224	78,968	34,044	-	34,044
Total funds carried forward		237,025	34,416	271,441	75,744	3,224	78,968

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.

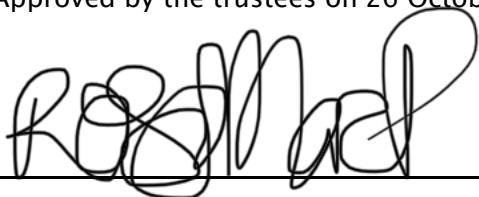
Free to Be Kids

Balance sheet

As at 31 December 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	12		<u>17,771</u>		<u>-</u>
			17,771		-
Current assets:					
Debtors	13	2,361		3,289	
Cash at bank and in hand		<u>333,543</u>		<u>177,180</u>	
		335,904		180,469	
Liabilities:					
Creditors: amounts falling due within one year	14	<u>82,234</u>		<u>101,501</u>	
Net current assets / (liabilities)			253,670		78,968
Total assets less current liabilities			<u>271,441</u>		<u>78,968</u>
Total net assets / (liabilities)	16		<u>271,441</u>		<u>78,968</u>
The funds of the charity:	17				
Restricted income funds			34,417		3,224
Unrestricted income funds:					
Designated funds		100,000		-	
General funds		<u>137,024</u>		<u>75,744</u>	
Total unrestricted funds			<u>237,024</u>		<u>75,744</u>
Total charity funds			<u>271,441</u>		<u>78,968</u>

Approved by the trustees on 26 October 2022 and signed on their behalf by



Name: Rosie Macpherson

Title: Chair of Trustees

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.

Notes to the financial statements

For the period ended 31 December 2021

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 following basis which are an estimate, based on staff time, of the amount 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.

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 £	2021 total Total £	2020 Total £
Grants and small donations	170,134	255,935	426,069	142,759
Donation in kind (note 4)	-	24,929	24,929	15,708
	<u>170,134</u>	<u>280,864</u>	<u>450,998</u>	<u>158,467</u>

4. Donation in kind

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Donated equipment and supplies	-	24,929	24,929	15,708
	<u>-</u>	<u>24,929</u>	<u>24,929</u>	<u>15,708</u>

5 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Delivering programmes	5,640	-	5,640	4,900
Total income from charitable activities	<u>5,640</u>	<u>-</u>	<u>5,640</u>	<u>4,900</u>

Income from other trading activities

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Other sales	158	-	158	-
	<u>158</u>	<u>-</u>	<u>158</u>	<u>-</u>

6 Income from investments

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Bank interest	13	-	13	81
	<u>13</u>	<u>-</u>	<u>13</u>	<u>81</u>

Free to Be Kids

Notes to the financial statements

For the year ended 31 December 2021

7 Analysis of expenditure

	Cost of raising funds £	Free to Be projects £	Support costs £	2021 Total £	2020 Total £
Staff costs (Note 9)	–	137,884	4,478	142,362	92,170
Programme costs	–	90,672	28,093	118,765	53,904
Fundraising costs	1,580	–	–	1,580	57
Independent examination	–	–	1,630	1,630	499
	<u>1,580</u>	<u>228,556</u>	<u>34,201</u>	<u>264,336</u>	<u>146,630</u>
Support costs		34,201	(34,201)	–	–
	<u>1,580</u>	<u>262,757</u>	<u>–</u>	<u>264,336</u>	<u>146,630</u>
Total expenditure 2021	1,580	262,757	–	264,336	146,630
Total expenditure 2020	<u>57</u>	<u>146,574</u>	<u>–</u>	<u>146,630</u>	

Of the total expenditure, £14,665 was unrestricted (2020: £7,937) and £249,671 was restricted (2020: £138,693).

8 Net incoming resources for the year

This is stated after charging / crediting:

	2021	2020
	£	£
Depreciation	5,924	–
Trustees' remuneration	Nil	Nil
Trustees' expenses	Nil	Nil
	<u> </u>	<u> </u>

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

Staff costs were as follows:

	2021	2020
	£	£
Salaries and wages	101,073	74,741
Social security costs	29,583	10,314
Employer's contribution to defined contribution pension schemes	11,706	7,115
	<u> </u>	<u> </u>
	<u>142,362</u>	<u>92,170</u>

No employee earned more than £60,000 during the year (2020: nil).

The total employee benefits including pension contributions of the key management personnel were £4,070 (2020: £2,783).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

10 Staff numbers

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

	2021	2020
	No.	No.
Charitable activities	4.0	3.0
	<u> </u>	<u> </u>
	<u>4.0</u>	<u>3.0</u>

11 Related party transactions

There are no related party transactions to disclose for 2021 (2020: 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 £
Cost or valuation		
At the start of the year	-	-
Additions in year	23,695	23,695
At the end of the year	23,695	23,695
Depreciation		
At the start of the year	-	-
Charge for the year	5,924	5,924
At the end of the year	5,924	5,924
Net book value		
At the end of the year	17,771	17,771
At the start of the year	-	-
All of the above assets are used for charitable purposes.		

13 Debtors

	2021 £	2020 £
Prepayments	2,361	3,289
	2,361	3,289

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	1,020	-
Deferred income	81,214	101,501
	82,234	101,501

15 Deferred income

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

	2021 £	2020 £
Balance at the beginning of the year	101,501	108,738
Amount released to income in the year	(101,501)	(108,738)
Amount deferred in the year	81,214	101,501
Balance at the end of the year	81,214	101,501

16 Analysis of net assets between funds

	General unrestricted £	Designated £	Restricted £	Total funds 2021 £
Tangible fixed assets	-	-	17,771	17,771
Net current assets	137,024	100,000	16,645	253,670
Net assets at the end of the year	137,024	100,000	34,417	271,441

	General unrestricted £	Designated £	Restricted £	Total funds 2020 £
Net current assets	75,744	-	3,224	78,968
Net assets at the end of the year	75,744	-	3,224	78,968

17 Movements in funds

	At the start of the year 2021 £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year 2021 £
Restricted funds:					
Programme funds	3,224	280,864	(249,671)	-	34,416
Total restricted funds	3,224	280,864	(249,671)	-	34,416
Unrestricted funds:					
Designated funds:					
Developing future sites	-	-	-	100,000	100,000
Total designated funds	-	-	-	100,000	100,000
General funds	75,744	175,945	(14,665)	(100,000)	137,025
Total unrestricted funds	75,744	175,945	(14,665)	-	237,025
Total funds	78,969	456,809	(264,336)	-	271,441

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

	At the start of the year 2020 £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year 2020 £
Restricted funds:					
Programme funds	-	141,917	(138,693)	-	3,224
Total restricted funds	-	141,917	(138,693)	-	3,224
Unrestricted funds:					
Designated funds:					
Developing future sites	-	-	-	-	-
Total designated funds	-	-	-	-	-
General funds	34,044	49,638	(7,938)	-	75,744
Total unrestricted funds	34,044	49,638	(7,938)	-	75,744
Total funds	34,044	191,555	(146,631)	-	78,968

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.