

REGISTERED COMPANY NUMBER: 04723576 (England and Wales)
REGISTERED CHARITY NUMBER: 1101078

Report of the Trustees and
Financial Statements for the Year Ended 31 July 2018
for

free@last

Locke Williams Associates LLP
Chartered Accountants
Registered Auditors
Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

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for the Year Ended 31 July 2018**

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**Reference and Administrative Details
for the Year Ended 31 July 2018**

TRUSTEES	Ricardo Atlan Anne Ebdon (resigned 1.6.18) Jacqueline Sergent Peter Higgs Abu Miah (resigned 10.1.19) Rubina Darr Melissa Shervington
COMPANY SECRETARY	John Street
REGISTERED OFFICE	49 Nechells Park Road Birmingham B7 5PR
REGISTERED COMPANY NUMBER	04723576 (England and Wales)
REGISTERED CHARITY NUMBER	1101078
AUDITORS	Locke Williams Associates LLP Chartered Accountants Registered Auditors Blackthorn House St Pauls Square Birmingham West Midlands B3 1RL
BANKERS	HSBC 9 Queens Square Wolverhampton West Midlands WV1 1TE
CHIEF EXECUTIVE	John Street

**Director's report
for the Year Ended 31 July 2018**

Our news this year is dominated by the increase in reported knife crime, of young people who are, for a variety of reasons, carrying knives and are prepared to use them. The increased reports of death by knife is extremely concerning for us all, with many people trying to figure out how on earth you stop this growing phenomenon.

As with everything we do at free@last, we do not just consider what is happening, but why and how did it start? The reality is that several years ago, there were many organisations, both council led and voluntary based, who ran positive activities for young people. There were thousands of trained, qualified and passionate youth workers across the country spending quality time with our country's teenagers, guiding them, challenging them and supporting them towards independence and positive choices. But when austerity-hit, the government and local councils decided, in their infinite wisdom, that our children can survive on their own - so should we really be surprised that one of the fruitions of their decision is now a regular news item?

Working positively with children, young people and families is often not easy and yet we are left to get on with it, as soldiers fighting an endless battle, under-resourced and to full capacity. As an organisation, we are in the midst of this war, a war caused by Poverty, and we are so thankful that we are not fighting on our own. There are many local organisations and individuals who support our cause and join our journey of change. We have a wealth of support and we thank you greatly for continuing to fly the flag for our work. A war takes a great deal of resources and we always need more, so please continue to help us raise our profile and make a significant difference in our community.

Thank you
John Street



**Report of the Trustees
for the Year Ended 31 July 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2018. The trustees have adopted the provisions of 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 2015).

OBJECTIVES AND ACTIVITIES

Vision

To improve the lives of the children and young people of Nechells.

Mission

free@last is committed to providing opportunities, activities, mentoring and support for children and young people in Nechells, and to further their interests by working with their families, other agencies and relevant professionals.

Values

Giving opportunities to all young people in Nechells without distinction.

Aims and objectives

To engage children and young people in a range of developmental and progressive activities which provide opportunities for success and to broaden their horizons.

To support children and young people through life's challenges and difficulties.

To support their families to provide the best possible environment for their children to grow, develop and flourish.

To take a multi-agency approach to improving the lives of children and young people.

Public benefit

The trustees confirm that: in the exercise of their powers as charity trustees, they have due regard to the published guidance from the charity commission on the operation of the public benefit requirement; and the aims of the charity are carried out for the public benefit. The trustees consider the support to disadvantaged and poorer members of the community in Birmingham, and dissemination of lessons learned to the rest of the country, to be of public benefit.

**Report of the Trustees
for the Year Ended 31 July 2018**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

CHILDREN & YOUNG PEOPLE

Introduction

The heart and soul of free@last is focused on the children and young people of Nechells, with the aim of broadening their horizons through a wide variety of opportunities and unconditional support to help them through the difficulties and challenges they face. We are a needs-led organisation that builds positive and meaningful relationships with young people and through these relationships we are able to constantly adapt and develop our work to reflect the desires and dreams of those we are here to serve.

Youth Activities

At free@last we run several youth clubs to help give children aged between five and eighteen a safe environment to relax and have fun together whilst at the same time build confidence, new friendships and positive relationships. These clubs offer participants access to our other services as well as off-site trips and activities. Alongside the youth clubs we run boxing skills, karate, drama, guitar lessons, music production and climbing lessons.



Mentoring

Each year, through the generosity of Children in Need, we are able to mentor and support children with complex and difficult lives. During the past year we have provided this service for 44 children aged 6 to 16 at 4 different locations. Issues they face range from low confidence to domestic violence, and everything in between, so it's imperative that we do not restrict the amount of support that each child needs. The programme supports the children through a broad range of issues which can include: anger management, interpersonal skills, social disengagement, peer conflict, rivalry, over competitiveness, health barriers, ongoing family disputes and parental over protectiveness. In their weekly sessions, the mentee will have one-to-one contact with their mentor as well as participating in group mentoring sessions where appropriate.

**Report of the Trustees
for the Year Ended 31 July 2018**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Nechells Lions FC

We continue to partner with Aston Villa Football Club and AVFC legend Tony Morley to run football coaching sessions for local children and young people. For many years, our young people have indicated they would value the opportunity to participate in regular and structured coaching sessions, so therefore we are delighted that Tony is working with us to meet this need.

This year we combined forces with a local mum who had started her own football team. The Nechells Lions is for under 11's and play in the Sandwell Minor League and are working hard to improve their skills and team work.



FAMILIES & ADVICE & GUIDANCE

Dads Do It Too!

Sadly, there is still no specific funding currently available for a dedicated Dads Worker. However, the important role of dads is still actively promoted within our services, with support given as much as possible when our limited resources allow.

Advice & Guidance



We continue to provide a specialist service helping local people with their personal debt and benefit problems. Our experience has shown that a supportive, understanding and approachable service is essential for those with financial difficulties to feel relaxed and comfortable discussing their personal circumstances with someone not known to them personally. With our advocacy service and regular courses in financial literacy for local people our aim is to have a positive influence on our clients' ability to be responsible for their own money management and benefits entitlement awareness.

Although this project has reduced debt and increased benefit entitlements to over £23 million, we cannot find a funder to support this project, so it is split between our own funds, charging for the service and our adviser graciously volunteering.

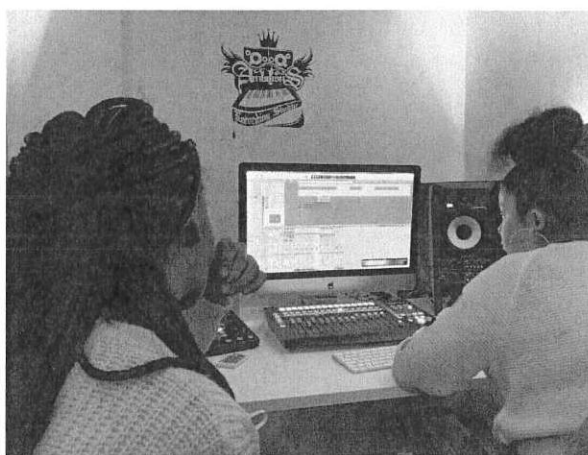
**Report of the Trustees
for the Year Ended 31 July 2018**

ACHIEVEMENT AND PERFORMANCE

THE NEW BUILDING

After many years of hard work and belief, we finally moved into our brand new centre on the 22nd December 2017, just in time for us to cook lunch on Christmas Day for 29 local people. It has been a very intense and long journey, from a small rented office to a £2 million multi-purpose youth and community centre, and we have been truly blessed by some many people joining us along the way. Our special thanks go to the Big Lottery Fund Reaching Communities Capital fund for not only awarding us an initial £1 million but for also increasing this by a further £400,000 to cover the additional costs following the original contractor becoming insolvent.

The new centre has a wide variety of activities for local children, young people and adults, including a recording studio, green screen and design suite, a business workshop, a training independent living flat, a youth club room and girls only room, training kitchen and soft play room. We will also have a 14 metre climbing wall, with the Midlands hardest climb on it! As well as the specific activity areas, we have the capacity for starting a vast array of services for all ages.



What practical difference do we make?

The impact of our new building has already increased positive engagement of young people with our services and the decrease of negative, risky behaviour. We have had over 1300 people use the centre during its first year of operation and have been involved in an increasing number of difficult and painful circumstances, as more local residents invite us to be involved in their lives. We have also enabled many adults and children increase their confidence and skills, improving their lives and making a significant difference for the better.



**Report of the Trustees
for the Year Ended 31 July 2018**

ACHIEVEMENT AND PERFORMANCE

Businesses

It is the intention of free@last to become as self-sustainable as possible through running our own businesses and generating our own income from a wide variety of sources. This accounting year has seen an increase in our business income and we have generated £150,320 of our own income - accounting for 10.4% of our total income. We aim to increase our business profit for free@last so that we can recruit staff members for at least 10 years, rather than losing key employees due to funding restrictions.

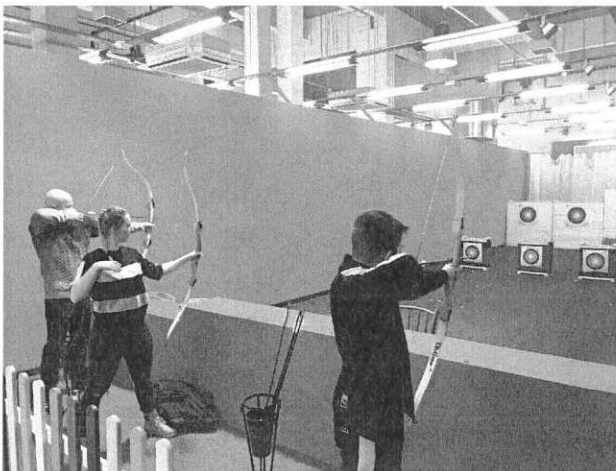
Freax Adventures

Business has remained constant with our regular customers returning for their activity adventures. Due to the time being invested in the new building, there has been very limited time to promote and grow Freax to where it needs to be. Hopefully, once the centre is operationally stable, we can invest the time needed to grow this business further.

Our valued partnership with Horspool Farm continues as we offer an exciting selection of activities to guests staying at this very exclusive retreat in Nottinghamshire. From Axe throwing to mountain climbing, hostage scenarios to survival skills - Freax has it all, so you can have fun and improve your teams whilst being socially responsible at the same time, as all the profit goes to free@last.



Family Fun Zone



This is our activity-based unit situated at Star City - a highly popular local leisure and entertainment complex. We offer several pay and play activities including archery, crossbows, BB gun target shooting, arts & crafts, a soft play ball pit and pedalos in the summer months.

One of the best things about the Family Fun Zone is that we employ local young people and to date 33 teenagers have had the opportunity to learn employability skills and customer service. As we are becoming more established we are seeing regular customers coming back time and again. Overall, the number of people who visit the Family Fun Zone has increased over the year.

This year we had to move to the unit next door, but this gave us a great opportunity to have a permanent fit out, by ASI again, to offer a much better and more professional outfit.

Star City continues to show us fantastic support again this year and all the profits from this venture go to free@last to be spent on core costs that other funders are unable to contribute towards.

**Report of the Trustees
for the Year Ended 31 July 2018**

FINANCIAL REVIEW

Principal financial management policies

The charity is small with limited resources. It operates on the basis of spending as little as possible on whatever it buys and ensures there are funds in the bank before making any commitment.

General financial review

Total reserves at 31 July 2018 stood at £2,070,057, but £2,040,921 of this was held for restricted purposes (with the building fund accounting for £1,949,606 of this). Of the remaining unrestricted and designated reserves of £29,136, £53,572 is utilised in fixed assets and so there is a deficit in freely available reserves of £24,436.

The deficit is a reflection of the need to generate income through a variety of different means, including grant making trusts, statutory services, our business, donations and general appeals. The deficit in unrestricted reserves was reduced by the net income generated from the Family Fun Zone..

Following the completion of the build, we are now in the process of growth, primarily through generating income through our own businesses. Our future plans are to increase the impact and availability of our services to more people who live in Nechells.

Reserves policy

General reserves

The trustees are working towards holding unrestricted reserves sufficient to meet the charity's day to day expenditure for six months. This target is a long way from being fulfilled and will take several years to achieve. Restricted funds will depend on timing of securing and receiving funding and timing of the expenditure on activities.

FUTURE PLANS

Over the following year our plans are as follows:

- During a time of economic crisis in the voluntary and statutory sectors we aim to increase the provision of our youth services to fill the gaps and enable all our young people to access services and support for improving their lives.
- We aim to provide new services to address some of the health inequalities and difficulties that our community faces, particularly sporting initiatives.
- Increase the involvement of young people and adults in social action in our neighbourhood.
- Run another Nechells Young Leaders programme.
- Generate more self-funded income through our businesses.
- We aim to develop the relationships we have with businesses and improve our partnership working in all 3 sectors.

**Report of the Trustees
for the Year Ended 31 July 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document and Charity Constitution

free@last was established under a Memorandum of Association which established the objects and powers of the charitable company. It is governed under its Articles of Association

Charity constitution

free@last began in August 1999 and first registered as a Charity on 9th December 1999 and then became a charitable company limited by guarantee on 4th April 2003. The charity and company numbers and other information are included as a front sheet.

Recruitment and appointment of new trustees

The trustees are appointed by the board. The company requires a minimum of three trustees to be appointed. The board identify areas where particular knowledge or expertise is required and seek to recruit new trustees by advertising and personal contacts.

Organisational structure

The charity is a small entity which is run on a daily and operational basis by the chief executive together with a small number of employees and volunteers. The board of trustees meet a minimum of four times a year and take responsibility for decisions regarding our services, the building, our people and the businesses operated by the charity. .

Induction and training of new trustees

Potential trustees attend the premises and a board/committee meeting as part of the induction process to ensure they are familiar with the services provided and our procedures. They are nominated by the board before appointment.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems established to mitigate those risks.

**Report of the Trustees
for the Year Ended 31 July 2018**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of free@last for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Locke Williams Associates LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

Approved by order of the board of trustees on 23rd April 2019 and signed on its behalf by:


John Street - Secretary

**Report of the Independent Auditors to the Trustees of
free@last (Registered number: 04723576)**

Opinion

We have audited the financial statements of free@last (the 'charitable company') for the year ended 31 July 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In the previous accounting period, the charitable company was exempt from audit under s144 of the Charities Act 2011. Therefore the prior period financial statements were not subject to audit.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



TRUSTED ACCOUNTING SOLUTIONS

**Report of the Independent Auditors to the Trustees of
free@last (Registered number: 04723576)**

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Locke Williams Associates LLP
Chartered Accountants
Registered Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

Date: 25 April 2019



TRUSTED ACCOUNTING SOLUTIONS

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 July 2018

	Notes	Unrestricted funds £	Restricted funds £	31.7.18 Total funds £	31.7.17 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	35,342	1,254,336	1,289,678	726,927
Other trading activities	3	150,320	-	150,320	175,972
Investment income	4	38	-	38	61
Total		185,700	1,254,336	1,440,036	902,960
EXPENDITURE ON					
Raising funds	5	68,287	-	68,287	60,842
Charitable activities	6				
General		104,631	526	105,157	110,054
Building		-	1,648	1,648	-
Youth and Children		-	106,217	106,217	43,313
Families		458	9,089	9,547	3,240
Advice and Guidance		-	28,793	28,793	29,344
Other	8	2,347	-	2,347	-
Total		175,723	146,273	321,996	246,793
NET INCOME		9,977	1,108,063	1,118,040	656,167
RECONCILIATION OF FUNDS					
Total funds brought forward		19,160	932,857	952,017	295,850
TOTAL FUNDS CARRIED FORWARD		29,137	2,040,920	2,070,057	952,017

The notes form part of these financial statements

Balance Sheet
At 31 July 2018

	Notes	Unrestricted funds £	Restricted funds £	31.7.18 Total funds £	31.7.17 Total funds £
FIXED ASSETS					
Tangible assets	13	53,472	2,001,768	2,055,240	645,809
Investments	14	<u>100</u>	<u>-</u>	<u>100</u>	<u>200</u>
		53,572	2,001,768	2,055,340	646,009
CURRENT ASSETS					
Debtors	15	5,912	9,881	15,793	16,513
Cash at bank and in hand		<u>1,002</u>	<u>54,700</u>	<u>55,702</u>	<u>296,972</u>
		6,914	64,581	71,495	313,485
CREDITORS					
Amounts falling due within one year	16	<u>(31,350)</u>	<u>(25,428)</u>	<u>(56,778)</u>	<u>(7,477)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(24,436)</u>	<u>39,153</u>	<u>14,717</u>	<u>306,008</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>29,136</u>	<u>2,040,921</u>	<u>2,070,057</u>	<u>952,017</u>
NET ASSETS		<u>29,136</u>	<u>2,040,921</u>	<u>2,070,057</u>	<u>952,017</u>
FUNDS	17				
Unrestricted funds:					
General Activities				9,872	9,880
Building Fund				19,264	8,822
WECANB7				<u>-</u>	<u>458</u>
				29,136	19,160
Restricted funds:					
General Activities				(526)	-
Building Fund				1,949,606	844,110
Youth and Children Activities				58,908	44,942
Family Activities				26,715	22,779
Advice & Guidance				2,140	12,623
Management				2,635	2,635
WECAN B7				(1,535)	2,790
Big Build				<u>2,978</u>	<u>2,978</u>
				2,040,921	932,857
TOTAL FUNDS				<u>2,070,057</u>	<u>952,017</u>

The notes form part of these financial statements

Balance Sheet - continued
At 31 July 2018

For the year ending 31 July 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

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



.....
Ricardo Atlan -Trustee

**Cash Flow Statement
for the Year Ended 31 July 2018**

	Notes	31.7.18 £	31.7.17 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>1,172,562</u>	<u>658,223</u>
Net cash provided by (used in) operating activities		<u>1,172,562</u>	<u>658,223</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1,416,117)	(500,553)
Amount unrecoverable from subsidiary		2,247	-
Interest received		<u>38</u>	<u>61</u>
Net cash provided by (used in) investing activities		<u>(1,413,832)</u>	<u>(500,492)</u>
Cash flows from financing activities:			
Amounts due from group undertakings		<u>-</u>	<u>6,381</u>
Net cash provided by (used in) financing activities		<u>-</u>	<u>6,381</u>
Change in cash and cash equivalents in the reporting period		<u>(241,2700)</u>	<u>164,112</u>
Cash and cash equivalents at the beginning of the reporting period		<u>296,972</u>	<u>132,860</u>
Cash and cash equivalents at the end of the reporting period		<u><u>55,702</u></u>	<u><u>296,972</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 July 2018**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		
	31.7.18	31.7.17
	£	£
Net income for the reporting period (as per the statement of financial activities)	1,118,040	656,167
Adjustments for:		
Depreciation charges	6,685	1,115
Interest received	(38)	(61)
(Increase)/decrease in debtors	(1,426)	12,178
Increase/(decrease) in creditors	<u>49,301</u>	<u>(11,176)</u>
Net cash provided by (used in) operating activities	<u>1,172,562</u>	<u>658,223</u>

**Notes to the Financial Statements
for the Year Ended 31 July 2018**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing.

No amount is included in the financial statements for volunteer time in line with the Charities SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

The charity receives grants in respect of its core activities. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Costs are shown net of any recoverable VAT.

Costs of raising funds includes direct staff and other costs for trading activities to raise funds.

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2018**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 10% on cost
Computer equipment	- 33% on cost

In respect of new premises, the cost of construction and the cost of ancillary equipment and fixtures and fittings included within the build costs have not been depreciated in the year. The charity completed the build construction and officially opened the building in April 2018. However it is considered that the effect of depreciation between opening and the year end date is immaterial.

Depreciation will commence from 1 August 2018, using the following rates:

Building (being the fabric of the building)	- Over the unexpired period of the leasehold
Building (being mechanical and electrical components)	- 4% on cost
Equipment	- 6.66% on cost

In these financial statements, the building has been reclassified as long leasehold, with the lease being renewed with Birmingham City Council until August 2041.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2018**

2. DONATIONS AND LEGACIES

	31.7.18	31.7.17
	£	£
Donations	48,904	25,830
Grants	<u>1,240,774</u>	<u>701,097</u>
	<u><u>1,289,678</u></u>	<u><u>726,927</u></u>

Grants received, included in the above, are as follows:

	31.7.18	31.7.17
	£	£
Children in Need	40,429	30,373
Big Lottery Fund - core activities	92,262	77,366
Big Lottery Fund - The Big Build	838,583	473,958
Barrow Cadbury Trust	-	14,400
Four Acre Trust	-	10,000
Tudor Trust	-	75,000
The Rowlands Trust	-	20,000
The Henry Smith Charitable Trust	100,000	-
Michael Marsh Charitable Trust	120,000	-
Sport England	45,000	-
Other grants	<u>4,500</u>	<u>-</u>
	<u><u>1,240,774</u></u>	<u><u>701,097</u></u>

3. OTHER TRADING ACTIVITIES

	31.7.18	31.7.17
	£	£
Fundraising events	19,849	32,154
Family Fun Zone	113,699	115,987
Other activities	110	5,160
Recharges to group and associated companies	<u>16,662</u>	<u>22,671</u>
	<u><u>150,320</u></u>	<u><u>175,972</u></u>

4. INVESTMENT INCOME

	31.7.18	31.7.17
	£	£
Deposit account interest	<u>38</u>	<u>61</u>

5. RAISING FUNDS

	31.7.18	31.7.17
	£	£
Fund raising consultant fees	6,720	-
Fundraising events	6,932	12,519
Family Fun Zone costs	<u>54,635</u>	<u>48,323</u>
	<u><u>68,287</u></u>	<u><u>60,842</u></u>

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2018**

6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 7)	Totals
	£	£	£
General	103,117	2,040	105,157
Building	1,648	-	1,648
Youth and Children	106,217	-	106,217
Families	9,547	-	9,547
Advice and Guidance	<u>28,793</u>	<u>-</u>	<u>28,793</u>
	<u>249,322</u>	<u>2,040</u>	<u>251,362</u>

7. SUPPORT COSTS

	Governance costs £
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>2,040</u>

8. OTHER

	31.7.18	31.7.17
	£	£
Loss on investments in trading subsidiaries	<u>2,347</u>	<u>-</u>

Other expenditure in the year reflects the write off of the investment in and debt due from the subsidiary FAL Training Limited, which was dissolved in the year.

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.7.18	31.7.17
	£	£
Depreciation - owned assets	<u>6,686</u>	<u>1,115</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2018 nor for the year ended 31 July 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 July 2018 nor for the year ended 31 July 2017.

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2018**

11. STAFF COSTS

	31.7.18 £	31.7.17 £
Wages and salaries	178,211	145,761
Social security costs	7,648	3,802
Other pension costs	<u>894</u>	<u>370</u>
	<u>186,753</u>	<u>149,933</u>

The average monthly number of employees during the year was as follows:

	31.7.18 <u>18</u>	31.7.17 <u>18</u>
General employees		

No employees received emoluments in excess of £60,000.

The total amount of employee benefits received by key management personnel is £30,288 (2017 £30,200).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	9,039	717,888	726,927
Other trading activities	155,297	20,675	175,972
Investment income	<u>61</u>	<u>-</u>	<u>61</u>
Total	164,397	738,563	902,960
EXPENDITURE ON			
Raising funds	60,842	-	60,842
Charitable activities			
General	87,005	23,049	110,054
Youth and Children	311	43,002	43,313
Families	231	3,009	3,240
Advice and Guidance	<u>-</u>	<u>29,344</u>	<u>29,344</u>
Total	148,389	98,404	246,793
NET INCOME	16,008	640,159	656,167
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>3,150</u>	<u>292,700</u>	<u>295,850</u>
TOTAL FUNDS CARRIED FORWARD	<u>19,158</u>	<u>932,859</u>	<u>952,017</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

13. TANGIBLE FIXED ASSETS

	Short leasehold £	Long leasehold £	Plant and machinery £
COST			
At 1 August 2017	641,099	-	-
Additions	-	1,200,986	115,000
Reclassification	(641,099)	641,099	-
At 31 July 2018	-	1,842,085	115,000
DEPRECIATION			
At 1 August 2017	-	-	-
Charge for year	-	-	-
At 31 July 2018	-	-	-
NET BOOK VALUE			
At 31 July 2018	-	1,842,085	115,000
At 31 July 2017	641,099	-	-

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 August 2017	63,294	-	24,940	729,333
Additions	66,177	33,954	-	1,416,117
Reclassification	-	-	-	-
At 31 July 2018	129,471	33,954	24,940	2,145,450
DEPRECIATION				
At 1 August 2017	58,584	-	24,940	83,524
Charge for year	1,734	4,952	-	6,686
At 31 July 2018	60,318	4,952	24,940	90,210
NET BOOK VALUE				
At 31 July 2018	69,153	29,002	-	2,055,240
At 31 July 2017	4,710	-	-	645,809

During the year the charity has continued and completed the rebuilding of its premises (the new building). At the 31 July 2018 the new building was complete and in day to day use.

Where available, all practical elements of fixtures & fittings and equipment included in the build cost contract have been identified and classified accordingly.

A legal charge is held against the property, in the name of The Big Lottery Fund, against the total sum of grant income received for the rebuild of £967,537. The charge remains in place for twenty five years from 15 August 2016.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

14. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 August 2017	200
Disposals	<u>(100)</u>
At 31 July 2018	<u>100</u>
 NET BOOK VALUE	
At 31 July 2018	<u>100</u>
At 31 July 2017	<u>200</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Freax Limited

Nature of business: Adventurous activity providers

	%
Class of share:	holding
Ordinary	100
	31.7.18
	£
Aggregate capital and reserves	(2,075)
(Loss) for the year	<u>(6,380)</u>
	31.7.17
	£
	4,305
	<u>(3,176)</u>

FAL Training Ltd

Nature of business: Adult training

	%
Class of share:	holding
Ordinary	100
	31.7.18
	£
Aggregate capital and reserves	-
Profit/(loss) for the year	<u>-</u>
	31.7.17
	£
	(2,138)
	<u>(619)</u>

FAL Training Limited was dissolved on 7 August 2018. Prior to this it transferred its remaining assets of £1,150 to free@last.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.18 £	31.7.17 £
Amounts owed by group undertakings	5,181	10,078
Prepayments and accrued income	<u>10,612</u>	<u>6,435</u>
	<u>15,793</u>	<u>16,513</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.18 £	31.7.17 £
Trade creditors	7,796	4,107
Tax	50	50
Social security and other taxes	3,048	1,256
Other creditors	22,740	-
Accruals and deferred income	<u>23,144</u>	<u>2,064</u>
	<u>56,778</u>	<u>7,477</u>

17. MOVEMENT IN FUNDS

	At 1.8.17 £	Net movement in funds £	At 31.7.18 £
Unrestricted funds			
General Activities	9,880	(8)	9,872
Building Fund	8,822	10,442	19,264
WECANB7	<u>458</u>	<u>(458)</u>	<u>-</u>
	19,160	9,976	29,136
Restricted funds			
General Activities	-	(526)	(526)
Building Fund	844,110	1,105,496	1,949,606
Youth and Children Activities	44,942	13,966	58,908
Family Activities	22,779	3,936	26,715
Advice & Guidance	12,623	(10,483)	2,140
Management	2,635	-	2,635
WECAN B7	2,790	(4,325)	(1,535)
Big Build	<u>2,978</u>	<u>-</u>	<u>2,978</u>
	932,857	1,108,064	2,040,921
TOTAL FUNDS	<u>952,017</u>	<u>1,118,040</u>	<u>2,070,057</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2018

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Activities	175,258	(175,266)	(8)
Building Fund	10,442	-	10,442
WECANB7	-	(458)	(458)
	<u>185,700</u>	<u>(175,724)</u>	<u>9,976</u>
Restricted funds			
Building Fund	1,107,144	(1,648)	1,105,496
Youth and Children Activities	119,781	(105,815)	13,966
Family Activities	4,500	(564)	3,936
Advice & Guidance	18,310	(28,793)	(10,483)
WECAN B7	4,601	(8,926)	(4,325)
General Activities	-	(526)	(526)
	<u>1,254,336</u>	<u>(146,272)</u>	<u>1,108,064</u>
TOTAL FUNDS	<u><u>1,440,036</u></u>	<u><u>(321,996)</u></u>	<u><u>1,118,040</u></u>

Comparatives for movement in funds

	At 1.8.16 £	Net movement in funds £	At 31.7.17 £
Unrestricted Funds			
General Activities	(4,711)	14,591	9,880
Building Fund	8,822	-	8,822
Youth and Children Activities	(139)	139	-
Falcom	(822)	822	-
WECANB7	-	458	458
	<u>3,150</u>	<u>16,010</u>	<u>19,160</u>
Restricted Funds			
General Activities	23,049	(23,049)	-
Building Fund	229,416	614,694	844,110
Youth and Children Activities	(1,736)	46,678	44,942
Family Activities	25,789	(3,010)	22,779
Advice & Guidance	8,919	3,704	12,623
Management	2,635	-	2,635
WECAN B7	1,650	1,140	2,790
Big Build	2,978	-	2,978
	<u>292,700</u>	<u>640,157</u>	<u>932,857</u>
TOTAL FUNDS	<u><u>295,850</u></u>	<u><u>656,167</u></u>	<u><u>952,017</u></u>

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2018**

17. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Activities	162,436	(147,845)	14,591
Youth and Children Activities	450	(311)	139
Family Activities	231	(231)	-
Falcom	822	-	822
WECANB7	458	-	458
	<u>164,397</u>	<u>(148,387)</u>	<u>16,010</u>
Restricted funds			
General Activities	-	(23,049)	(23,049)
Building Fund	614,694	-	614,694
Youth and Children Activities	76,421	(29,743)	46,678
Family Activities	(1)	(3,009)	(3,010)
Advice & Guidance	33,048	(29,344)	3,704
WECAN B7	14,401	(13,261)	1,140
	<u>738,563</u>	<u>(98,406)</u>	<u>640,157</u>
TOTAL FUNDS	<u><u>902,960</u></u>	<u><u>(246,793)</u></u>	<u><u>656,167</u></u>

Purpose of funds

General Activities - Specific Core expenses i.e. Salaries etc.

Building Fund - To raise money for the purchase of a new building, which the charity purchased in the previous year. The fund is now also for the general upkeep of the property in which the charity received restricted monies for.

Youth & Children Activities - To provide support and development services to children and young people within the local community through the funding of several full time and part time youth workers.

Family Activities - Families Project - To provide support and development services to families in the local community in the Nechells area.

Advice & Guidance - To provide free advice to residents of the Nechells area regarding financial difficulties and welfare benefit entitlements.

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2018**

18. RELATED PARTY DISCLOSURES

FAL Training Limited

The company was dissolved on 7 August 2018. At this date after a recover of £1,150 from its remaining net assets, the outstanding balance owed to free@last of £2,247 was written off.

Freax Limited

During the year the following transactions occurred between Free@last and Freax Limited, a company 100% owned by Free@last:

Free@last received from Freax Limited a total of £16,662 (2017 - £22,671), for various expenses, including recharges of staff costs.

At the Balance Sheet free@last was owed £5,180 (2017 - £6,680).

19. COMPANY LIMITED BY GUARANTEE

Free@last is a company limited by guarantee and accordingly does not have a share capital. Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.