

Registered Company number 2209114  
Registered Charity number 298603

**FREEWAYS**

**ANNUAL REPORT &  
FINANCIAL STATEMENTS**

**For the year ended 31 March 2011**

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# **FREEWAYS**

## **Contents**

Reference and administrative details.....	1
Report of the Board of Trustees.....	2
Independent auditor's report.....	9
Consolidated statement of financial activities .....	11
Consolidated and charity balance sheet .....	12
Consolidated cashflow statement.....	13
Notes to the financial statements .. . . .	14-26

# **FREEWAYS**

## **Reference and administrative details**

### **Patrons**

The Right Reverend Lord Bishop of Bristol  
The Right Honourable The Lord Mayor of Bristol  
The Right Reverend The Bishop of Clifton  
Mr David Parkes

### **Trustees**

E R Avery	Non-executive (retired 28 September 2010)
Dr M J Campbell	Non-executive (Chairman)
A E Hill	Non-executive (retired 28 September 2010)
F S Morton	Non-executive
Mrs C W Walker	Non-executive
C Lester	Executive (deceased 10 January 2011)
Miss E A Stone	Executive (resigned 16 November 2010)
G Northcott	Non-executive (appointed 28 September 2010)
Dr L B Cooke	Non-executive (appointed 25 March 2011)
A J Whitehead	Executive (appointed 16 November 2010, deceased 17 April 2011)

### **Registered office**

Leigh Court Day Centre  
Pill Road  
Abbots Leigh  
Bristol  
BS8 3RA

Company number	2209114
Charity number	298603

### **Registered auditors**

Mazars LLP  
Clifton Down House, Beaufort Buildings, Clifton Down, Clifton  
Bristol, BS8 4AN

### **Bankers**

Barclays Bank Plc, 86 Queens Road, Clifton  
Bristol, BS8 1RB

### **Solicitors**

Burges Salmon LLP  
Narrow Quay House, Narrow Quay, Bristol, BS1 4AH

## **FREEWAYS**

### **Report of the Board of Trustees Year ended 31 March 2011 (incorporating the Directors' report)**

#### **Structure, governance and management**

Freeways is a company limited by guarantee (Registered no. 2209114) and a registered charity (Registered no. 298603)

Freeways was established in December 1987. The governing document is the Memorandum and Articles of Association of the company and members of the Board of Trustees are the Directors of the company.

The company is limited by guarantee having no share capital. In the event of the company being wound up every member undertakes to contribute to the assets of the company up to an amount not exceeding £1.

The Trustees have delegated day to day management of charity to the two Executive Directors who report on the performance against strategic plans set and agreed by the Trustees. The Trustees meet bi-monthly. Where appropriate, sub groups, which have their own terms of reference, are set up to discuss in detail specific areas. Selected Trustees, executive directors and senior management are part of these groups.

A separate charity, Freeways Trust (Charity no 1102216), has common trustees but is not under common control although both organisations have the same charitable objects. Freeways leases properties from Freeways Trust, as reflected in the accounts.

New trustees invited to join the board are selected on the basis of their experience and skills. They are invited to visit a number of homes and to meet with existing board members before any appointment is approved. Trustees are encouraged to attend appropriate external training events where these would facilitate the understanding of their role, and they are given regular updates by the senior management team.

#### **Management changes**

The Trustees are reviewing the management structure and plan to recruit new executive directors as a result of the sudden death of Chris Lester in January 2011 and Andrew Whitehead in April 2011. Both of these unfortunate events represent a significant loss to the charity. However, due to the commitment of existing staff taking on additional responsibilities and interim appointments, the day to day management of the charity continued to meet the needs of the business.

#### **Risk management**

The Board of Trustees consider risk as an integral part of all strategic discussions. During the year the trustees have considered and assessed the risks to which the charity is exposed as part of their decision making process. In addition to the ongoing consideration of risk, the trustees undertake 3 yearly reviews which the Senior Management Team also participate in. The last review was completed September 2010.

The trustees are satisfied that risks have been identified, monitored and mitigated and that the current control environment was sufficiently robust. Where new projects are undertaken additional risk registers are maintained to monitor and mitigate, where possible, the risks to which the organisation is exposed.

## **FREEWAYS**

### **Aims and objectives**

The objects of the charity as set out in its Memorandum of Association are the provision of services for adults with learning disabilities

During 2010 a new business plan was developed for the three year period 2010 to 2013 including how our planned activities will continue to contribute to our aims and objectives in the future.

This three year plan has two central themes – the improvement and development of the service delivery and the strengthening and consolidation of the organisation's resources and infrastructure

The plan puts forward five strategic aims;

- Improve the content and quality of our existing services;
- Develop new services consistent with our vision and mission,
- Recruit, train and retain high quality staff and trustees;
- Develop and evolve the organisation's infrastructure to support other strategic aims, and
- Develop and evolve our governance and compliance to further the charity's objectives

Alongside the strategic plan are detailed action plans and a range of key performance indicators against which we can measure and monitor progress against our action plans and strategic aims.

Freeways' charitable purpose is enshrined in its objects 'to promote the education and training (including social and physical) and the care and relief of mentally handicapped persons or persons suffering from mental illness or other disorder of the mind by the establishment or acquisition, maintenance and operation of residential houses and hostels and training centres for such persons'

Following a review, our objects were updated to provide more clarity and appropriate modern terminology. The Charity Commission gave its consent to the amendments and the revised object clause was approved at the AGM in September 2010

Our services are open to all adults with learning disabilities and are broken down into key strategic services and activities such as residential care, supported living and community services. Person centred plans for individuals, based on their assessed needs, enables our staff to support individuals in the way they wish and meet their future goals and aspirations. Staff are recruited, trained and deployed in line with this. Financial resources are deployed to deliver services and develop them into the future. All the services we provide aim to connect with the local communities in which people live and to contribute to them. The fees charged for these services simply reflect the costs of providing the services given. Our funding is received from local authorities for individuals after means testing, which ensures that individuals can access our services where the individual needs have been established and regardless of their financial circumstances.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'

The structure of the Annual Report allows us to report on each of our strategic aims and explain Freeway's activities and achievements during the year and plans for the future. Through supporting adults with learning disabilities in this way we are able to encourage, support and enable our service users to lead the lives they chose.

## **FREEWAYS**

### **Activities in the year**

#### ***Residential and supported living services***

2010/11 saw the increased success of 2 The Glen, with its 15 supported living flats where we now have a waiting list of external referrals. The transformation of this and residential services at Caspar House to supported living, was the culmination of 2 years work and a key part of our strategy of converting mainstream residential care and development to supported living accommodation. The new services have been commissioned through our partnership with Bristol local authority and we have seen increasing impacts for the service users who have moved from residential care into these services. Outcomes for service users have included a reduction in support hours and many individuals have gained confidence to move on to more independent living.

Our residential services continue to maintain relatively low vacancy levels that are testament to our acknowledged quality service and motivated and committed workforce. Although, where vacancies do arise, we recognise that there are a limited number of new residential referrals. This is due to the national agenda of local authorities favouring the more flexible supported living service option in preference to residential care. However, we continue to receive referrals and new placements are increasing as other providers reduce their services and we continue to be seen as a provider of quality and value for money. In October 2010 we successfully re-registered with The Care Quality Commission (CQC) under the Health and Social Care Act 2008, for all of our residential homes with no additional conditions. This is testament to the committed and motivated staff we employ. In April 2011 we increased our registration to include Domiciliary Care which we are now contracted to provide in some of our supported living services and in an individual's own home as a result.

In 2010/11 we continued to develop the new community day services based around a person centred approach for individuals to access and be involved in their local communities. This service operates for our residential service users and has also benefited from an increase in external referrals. This service replaced the day service previously provided at Leigh Court although groups still access the facility for specific activities. We were unsuccessful in our plans to develop Leigh Court into a service for adults with multiple and complex needs due to funding issues within the Primary Care Trust but we have developed the building in 2010/11 and are now able to market its services to others as a day service, community resource and training resource with an improved environment, interactive whiteboard and increased ICT facilities. We continue to be committed to developing this service further to those who may benefit from our services but do not live within our accommodation services.

We continued to run the four existing supported living projects. These services are smaller homes with staff support for individuals as appropriate. We also continue to provide a floating support service in North Somerset where staff provide support to individuals in their own homes. We have seen an increase in our contracted hours in North Somerset and also in the floating support that we provide in Bristol and South Gloucestershire.

In May 2011 we started a new floating support 3 year contract in Bath and North East Somerset which we successfully won in competition with larger more established organisations in that Local Authority. This contract is to provide 288 hours of housing related support to individuals with learning disabilities, physical or sensory impairment (PSI) across the Authority in their own homes. So far the feedback on this new service has been very positive and already seen improved numbers being supported and improved outcomes for all individuals using the service.

## **FREEWAYS**

Freeways continues to recognise that the key to the successful delivery of our services is the staff we employ. During 2010/11 we have continued with our leadership management programme to identify future management for services and develop individually tailored plans for existing management. The response from staff has been overwhelmingly positive and we will look to extend this programme in the future.

### ***Hydrotherapy services***

Our hydrotherapy pool at Leigh Court Centre continues to develop new contracts and attract new individuals to its services. The contract with North Somerset PCT remains oversubscribed and an active referral and waiting list is in operation. Due to the success of this contract it has been extended for another year in 2011/12.

We have continued to discuss similar contracts with other primary care trusts which have resulted in new referrals to our service on an individual contract basis. Given the success of the North Somerset contract we will continue to discuss extending such contracts to other locally based organisations.

The facilities are primarily utilised and benefit individuals with learning and physical disabilities. However the facilities are open to other individuals who may receive therapeutic benefit from the service including those with physical impairments alone, and also to provide swimming lessons for babies and toddlers.

### ***Education and employment services***

In 2010/11 we continued to employ a work and learning coordinator, partly funded through Bristol City Council. During the year we have worked with individuals to explore self employment as a way into the job market but also supported individuals with more traditional work routes including voluntary work and work placements to gain experience and understanding. We are also working with a number of individuals to start up social enterprise businesses including providing drinks, snacks and lunches for training and conferences and selling products they make online and at local events.

Whilst this area remains in its developmental stage we are gradually building on small successes to demonstrate real impacts for the individuals we are supporting. This area remains a key part of developing our strategy in providing a wide range of services which we can offer to individuals.

### ***Activities for generating funds***

Freeways have continued to hire out part of the Head office premises to outside organisations to use for room hire during the year. The Executive Director – Finance has continued to undertake a split role between Freeways and Freeways Trust, with Freeways reimbursed for the time spent looking after the activities of Freeways Trust.

### **Financial review**

Total incoming resources for the year were 2% lower at £5,623,000 (2010: £5,749,000) due largely to a fall in legacy income and donations. The operating surplus, for the year before actuarial losses was £179,000 (2010: £68,000) representing an improvement over the previous year. This improvement reflects the tight cost control and careful management of the Group's resources during a difficult economic climate. After taking account of actuarial losses for the year of £181,000 (2010: £18,000) arising on the Group's defined benefit pension scheme, which was closed to future accruals in 2007, the net deficit on total funds was a deficit of £2,000 (2010: £50,000 surplus).

## **FREEWAYS**

During the year £128,000 was transferred from the general fund as part of the pension scheme recovery plan. Overall, total funds ended the year at £163,000 (2010: £165,000), general funds increased to £473,000 (2010: £425,000), the pension reserve deficit increased to £335,000 (2010: £284,000 deficit) and restricted funds increased to £25,000 (2010: £24,000).

Full results for the year are given on page 11.

### **Investment policy**

The funds available to Freeways are utilised as part of our working capital requirements and therefore the trustees do not consider it prudent to invest monies on a long term basis. Where surplus cash is available it is the policy that it is invested in short term deposits at the best obtainable rate.

### **Reserves policy**

The trustees have reviewed the Reserves policy and examined the need for free reserves in light of the predominant risks to the organisation, its working capital requirements 2010/11 budget and future plans.

The policy continues to be set at building free reserves to two month's expenditure (currently £900,000) to provide security against unexpected fluctuations in income and expenditure due to short term vacancies, costs running higher than anticipated due to inflation and the economic climate and the investment in developing new services. The pension reserve deficit at 31 March of £335,000 (2010: £284,000 deficit) has been excluded from the calculation of free reserves on the basis that the cash flow impact is limited to the annual payment agreed under the pension scheme recovery plan.

Free reserves, excluding the pension reserve deficit at 31 March 2011 were £445,000 (2010: £394,000) and fall significantly below the target level. The organisation will look to generate additional surpluses through creation of new activities that positively contribute to reserves. The trustees will continue to review the Reserves policy regularly and amend it accordingly dependent on the strategic plans of the organisation and changes in circumstances.

### **Plans for 2011/12 and beyond**

Freeways is well placed to develop into the future. The 3 year business plan for 2010-2013, to be "a Provider of Choice" is core to our future development and strategy. We will build on the successes and achievements of previous years which have helped us to take steps closer to achieving our aims. Many of the activities described in the report will continue to be the focus of our main work.

In 2011/12 we are committed to paying particular attention to the ongoing development of our day services at Leigh Court and our community day services. We are aware that some local authorities will be inviting tenders for new day service contracts for 2012 and 2013. Freeways anticipates tendering to provide these services where appropriate.

Freeways will continue to work with Bristol local authority to provide the required number of residential and supported living services in high quality accommodation to meet the needs of individuals. It is anticipated that this will result in deregistering one of the smaller residential homes for conversion into a supported living service, together with some other adjustments to the size and specification of other properties.



## **FREEWAYS**

We are currently in discussion with North Somerset to de-register another residential home and redevelop it as 10 supported living flats which we hope to have established during 2012. In addition, we are considering the development of a specific service of supported living flats for young adults with autism in the grounds of one of our residential homes and expect to be applying for outline planning permission.

Despite a set back in obtaining planning permission for a site to develop an older person dementia pathway unit during 2009/10 we remain committed to setting up this service. The trustees and senior management will continue to pursue opportunities as they arise to progress this project.

We will continue to market all our services, paying particular attention to our residential vacancies, opportunities to develop our existing or new community contracts and developing specialist residential and supported living services.

We continue to engage our staff in developing performance management tools that will benefit the organisation, service users and staff development. In 2009/10 we commenced development on a programme of investing in the leaders of tomorrow for our management teams. 2011/12 will see this programme continue to develop and we will look to measure the impact on performance and standards across the organisation.

### **Statement of Trustees' responsibilities**

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company and charity law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Charity and the Group and of the surplus or deficit of the Group for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- 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 Group will continue in operation.

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

## **FREEWAYS**

### **Provision of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that

- so far as that Trustee is aware, there is no relevant audit information of which the Charity and the Group's auditors are unaware, and
- each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Charity and the Group's auditors in connection with preparing their report and to establish that the Charity and the Group's auditors are aware of that information.

This report was approved by the Trustees on 19 October 2011 and signed on their behalf, by



Dr Malcolm Campbell  
**Chairman**

## **FREEWAYS**

### **Independent auditor's report**

#### **Independent auditor's report to the members of Freeways**

We have audited the financial statements of Freeways for the year ended 31 March 2011 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cashflow Statement and the related notes. 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).

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also the directors of the charity 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

#### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2011 and of the group's 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

#### **Opinion on the other matter prescribed by the Companies Act 2006**

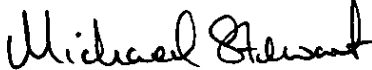
In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **FREEWAYS**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Michael Stewart (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
Clifton Down House  
Beaufort Buildings  
Clifton  
Bristol, BS8 4AN

Date 19 October 2011

## **FREEWAYS**

### **Consolidated statement of financial activities (including income & expenditure account) for the year ended 31 March 2011**

		<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds 31 March 2011</b>	<b>Total funds 31 March 2010</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Incoming resources</b>					
Incoming resources from generated funds					
<i>Voluntary income</i>		<b>15</b>	-	<b>15</b>	114
<i>Activities for generating funds</i>	<b>2</b>	<b>35</b>	-	<b>35</b>	28
Incoming resources from charitable activities	<b>3</b>	<b>5,525</b>	<b>48</b>	<b>5,573</b>	5,607
<b>Total incoming resources</b>		<b>5,575</b>	<b>48</b>	<b>5,623</b>	5,749
<b>Charitable expenditure</b>					
Cost of generating funds					
<i>Fundraising trading</i>	<b>4</b>	<b>5</b>	-	<b>5</b>	5
Direct charitable activities	<b>5</b>	<b>5,371</b>	<b>43</b>	<b>5,414</b>	5,650
Governance costs	<b>6</b>	<b>25</b>	-	<b>25</b>	26
<b>Total resources expended</b>		<b>5,401</b>	<b>43</b>	<b>5,444</b>	5,681
<b>Net incoming resources for the year</b>	<b>7</b>	<b>174</b>	<b>5</b>	<b>179</b>	68
Transfers between funds	<b>15</b>	<b>4</b>	<b>(4)</b>	-	-
Actuarial (losses) on defined benefit schemes	<b>20</b>	<b>(181)</b>	-	<b>(181)</b>	(18)
<b>Net movements in funds</b>		<b>(3)</b>	<b>1</b>	<b>(2)</b>	50
<b>Balance brought forward at 1 April 2010</b>		<b>141</b>	<b>24</b>	<b>165</b>	115
<b>Balance carried forward at 31 March 2011</b>	<b>15</b>	<b>138</b>	<b>25</b>	<b>163</b>	165

The statement of financial activities includes all gains and losses recognised in the year.

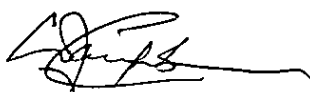
All incoming resources and resources expended derive from continuing activities

## **FREEWAYS**

### **Consolidated and charity balance sheet As at 31 March 2011**

	Notes	Group				Charity			
		2011	2011	2010	2010	2011	2011	2010	2010
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed assets</b>									
Tangible assets	9		28		31		28		31
Investments	10		-		-		-		-
			<u>28</u>		<u>31</u>		<u>28</u>		<u>31</u>
<b>Current assets</b>									
Debtors	13	449		611		452		615	
Cash at bank and in hand		<u>451</u>		<u>312</u>		<u>442</u>		<u>301</u>	
		900		923		894		916	
Creditors amounts falling due within one year	14	<u>(430)</u>		<u>(505)</u>		<u>(427)</u>		<u>(501)</u>	
<b>Net current assets</b>			<u>470</u>		<u>418</u>		<u>467</u>		<u>415</u>
<b>Total assets less current liabilities</b>			498		449		495		446
Pension scheme liability	20	<u>(335)</u>		<u>(284)</u>		<u>(335)</u>		<u>(284)</u>	
			<u>163</u>		<u>165</u>		<u>160</u>		<u>162</u>
<b>Funds</b>									
Unrestricted funds		473		425		470		422	
Pension reserve		<u>(335)</u>		<u>(284)</u>		<u>(335)</u>		<u>(284)</u>	
		138		141		135		138	
Restricted funds		25		24		25		24	
	16		<u>163</u>		<u>165</u>		<u>160</u>		<u>162</u>

The financial statements were approved by the Trustees on 19 October 2011 and signed on their behalf by

  
Dr M J Campbell  
Trustee

  
F S Morton  
Trustee

## **FREEWAYS**

### **Consolidated cashflow statement As at 31 March 2011**

	Notes	2011		2010	
		£'000	£'000	£'000	£'000
<b>Net cash inflow (outflow) from operating activities</b>	<b>17</b>		<b>152</b>		(87)
<b>Capital expenditure</b>	<b>18</b>	<b>(13)</b>		(9)	
<b>Net cash (outflow) for capital expenditure</b>			<b>(13)</b>		(9)
<b>Increase (decrease) in cash in the year</b>			<b>139</b>		(96)
<b>Reconciliation of net cash flow to movement in net funds</b>					
			<b>2011</b>	<b>2010</b>	
			<b>£'000</b>	<b>£'000</b>	
Increase (decrease) in cash in year			<b>139</b>	(96)	
Opening net funds			<b>312</b>	408	
<b>Closing net funds</b>	<b>19</b>		<b>451</b>	312	

## **FREEWAYS**

### **Notes to the financial statements for the year ended 31 March 2011**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of accounts**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value and comply with the Companies Act 2006. The financial statements have been prepared in accordance with Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities: Statement of recommended practice", published in March 2005 and applicable accounting standards.

The statement of financial activities and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. No separate statement of financial activities has been presented for the charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 304 of the SORP. All profits of the trading subsidiaries are paid to the parent charity, the net incoming resources of the charity are identical to those of the group.

##### **1.2 Basis of consolidation**

The financial statements consolidate the accounts of Freeways and its subsidiary undertakings Freeways Services Limited and Leigh Court Services Limited. The results of the subsidiaries are consolidated on a line by line basis.

##### **1.3 Fund accounting**

The unrestricted fund is available for use at the discretion of the Trustees in furtherance of the charitable objectives of Freeways.

Restricted funds are funds subject to specific restrictions imposed by donors.

##### **1.4 Incoming resources**

All income is accounted for as soon as Freeways has entitlement to the income, certainty of receipt and the amount is quantifiable. Donations are included on a received basis and income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

##### **1.5 Resources expended**

All expenditure is accounted for on an accruals basis and is classified under headings that aggregate all the costs related to the activity. Where costs cannot be directly attributed to the particular activities they are allocated on a basis consistent with the use of the resources.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the activity. Overheads and other salaries are allocated between expense headings on the basis of time spent.

Governance costs include the costs of governance arrangements which relate to the general running of the charity. These activities provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability. They include the strategic planning processes that contribute to future development of the charity.



## **FREEWAYS**

### **Notes to the financial statements for the year ended 31 March 2011**

#### **1. Accounting policies (cont'd)**

##### **1.6 Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation has been calculated so as to write off the cost or valuation of the assets in equal annual instalments over their useful lives, as follows,

- Furniture, fixtures and fittings – 33 1/3%, 25% and 10% straight line
- Motor vehicles – 25% straight line

##### **1.7 Investments**

Listed investments are stated at market value at the balance sheet date in accordance with the SORP. Realised and unrealised gains are included in the Statement of Financial Activities. Investments in subsidiaries are valued at cost less provision for impairment.

##### **1.8 Pensions**

###### **Defined benefit scheme**

The charity operates a defined benefit pension scheme. The defined benefit scheme closed to future accrual effective from 1 April 2007. The charity uses the project unit cost method based on annual actuarial valuations to measure the cost of providing benefits. Actuarial gains and losses are recognised in full in the year in which they occur within the statement of financial activities.

The present value of the defined benefit obligation net of the fair value of plan assets is recognised on the balance sheet.

###### **Defined contribution scheme**

The charity operates a defined contribution pension scheme and contributions payable to the scheme are charged to the statement of financial activities in the period to which they relate.

##### **1.9 Operating lease commitments**

Rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

#### **2. Activities for generating funds**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>2011</b>	<b>2011</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Management fee	<b>24</b>	-	<b>24</b>	18
Conference & room hire income	<b>11</b>	-	<b>11</b>	10
	<b>35</b>	-	<b>35</b>	28

## **FREEWAYS**

### **Notes to the financial statements for the year ended 31 March 2011**

#### **3. Incoming resources from charitable activities**

	<b>Unrestricted 2011 £'000</b>	<b>Restricted 2011 £'000</b>	<b>Total 2011 £'000</b>	<b>Total 2010 £'000</b>
Residential & supported living services	<b>5,371</b>	-	<b>5,371</b>	5,433
Hydrotherapy services	<b>154</b>	-	<b>154</b>	130
Education & employment services	-	<b>48</b>	<b>48</b>	44
	<b>5,525</b>	<b>48</b>	<b>5,573</b>	5,607

#### **4. Cost of generating funds**

	<b>Unrestricted 2011 £'000</b>	<b>Restricted 2011 £'000</b>	<b>Total 2011 £'000</b>	<b>Total 2010 £'000</b>
Staff costs	<b>2</b>	-	<b>2</b>	2
Support costs	<b>3</b>	-	<b>3</b>	3
	<b>5</b>	-	<b>5</b>	5

#### **5. Resources expended on charitable activities**

<b>By activity:</b>	<b>Unrestricted 2011 £'000</b>	<b>Restricted 2011 £'000</b>	<b>Total 2011 £'000</b>	<b>Total 2010 £'000</b>
Residential & supported living services	<b>5,216</b>	<b>13</b>	<b>5,229</b>	5,502
Hydrotherapy services	<b>155</b>	-	<b>155</b>	122
Education & employment services	-	<b>30</b>	<b>30</b>	26
	<b>5,371</b>	<b>43</b>	<b>5,414</b>	5,650

<b>By category:</b>	<b>Staff costs 2011 £'000</b>	<b>Other costs 2011 £'000</b>	<b>Support Costs 2011 £'000</b>	<b>Total 2011 £'000</b>	<b>Total 2010 £'000</b>
Residential & supported living services	<b>3,069</b>	<b>1,449</b>	<b>711</b>	<b>5,229</b>	5,502
Hydrotherapy services	<b>100</b>	<b>44</b>	<b>11</b>	<b>155</b>	122
Education & employment services	<b>22</b>	-	<b>8</b>	<b>30</b>	26
	<b>3,191</b>	<b>1,493</b>	<b>730</b>	<b>5,414</b>	5,650

Staff costs of £471,000 are included within support costs.

## **FREEWAYS**

### **Notes to the financial statements for the year ended 31 March 2011**

#### **6. Governance costs**

	<b>2011 £'000</b>	<b>2010 £'000</b>
Audit fees	<b>8</b>	8
Legal & professional	<b>1</b>	1
Trustee insurance	<b>3</b>	3
Support costs	<b>2</b>	2
Staff costs	<b>11</b>	12
<b>Total governance costs</b>	<b>25</b>	26

#### **7. Net incoming resources**

These are stated after charging,

	<b>2011 £'000</b>	<b>2010 £'000</b>
Auditors' remuneration	<b>8</b>	8
Depreciation	<b>16</b>	18

#### **8. Trustee, director and employee information**

##### **(a) Trustee and directors' information**

No remuneration or reimbursement of expenses was paid to the Non-Executive directors during the year (2010 nil). Indemnity insurance was purchased during the year at a cost of £2,803 (2010 £2,803) to cover trustees, directors and employees

##### **Executive Directors' remuneration**

	<b>Salary &amp; benefits £'000</b>	<b>Pension Contribution £'000</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
C Lester (deceased 10 January 2011)	45	2	47	56
E A Stone (resigned 16 November 2010)	33	2	35	50
A J Whitehead (appointed 16 November 2010)	17	-	17	-

The number of directors to whom retirement benefits are accruing under defined benefit scheme amount to nil (2010 nil). The number of directors to whom retirement benefits are accruing under defined contribution schemes amounts to 2 (2010 2)

## **FREEWAYS**

### **Notes to the financial statements for the year ended 31 March 2011**

#### **8. Trustee, director and employee information (cont'd)**

##### **(b) Employee information**

	<b>2011 Number</b>	2010 Number
<b>Group and charity:</b>		
Average number of employees during the year		
Care of service users	<b>208</b>	216
Administration	<b>10</b>	10
	<b>218</b>	226
<b>Group and charity:</b>		
Employee costs during the year	<b>2011 £'000</b>	2010 £'000
Salaries and wages	<b>3,281</b>	3,412
Social Security	<b>268</b>	283
Pension costs	<b>25</b>	32
	<b>3,574</b>	3,727

No employee received remuneration amounting to more than £60,000 in 2011 (2010: nil). All employees were employed by the parent charity

Pension costs consist of employer contributions to the defined contribution scheme of £19,000 and death in service costs for employees of £6,000 and current service costs for defined benefit scheme £nil

## **FREEWAYS**

### **Notes to the financial statements for the year ended 31 March 2011**

#### **9. Tangible fixed assets** **Group & charity**

	<b>Furniture, fittings &amp; equipment £'000</b>	<b>Motor vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 April 2010	415	4	419
Additions	13	-	13
At 31 March 2011	428	4	432
<b>Accumulated depreciation</b>			
At 1 April 2010	384	4	388
Charge for the year	16	-	16
At 31 March 2011	400	4	404
<b>Net book value</b>			
At 31 March 2011	28	-	28
At 31 March 2010	31	-	31

The above assets are all used to support Freeways activities.

#### **10. Fixed asset investments**

	<b>Group 2011 £'000</b>	<b>Charity 2010 £'000</b>
At 1 April 2010 and 31 March 2011	-	-

#### **11. Principal subsidiaries**

<b>Company name</b>	<b>Country</b>	<b>Percentage shareholding</b>	<b>Description</b>
Freeways Services Ltd	England & Wales	100	Dormant trading subsidiary
Leigh Court Services Ltd	England & Wales	100	Undertaking trading activities on behalf of Freeways

## **FREEWAYS**

### **Notes to the financial statements for the year ended 31 March 2011**

#### **12. Results of trading subsidiaries**

The charity owns two trading subsidiaries, Freeways Services Ltd which was dormant during the year and Leigh Court Services Ltd which undertakes trading activities on behalf of Freeways. All profits of the subsidiary undertakings are gifted to the charity. Trading results for the year ended 31 March 2011 are shown below.

	<b>Leigh Court Services Ltd</b>		<b>Freeways Services Ltd</b>	
	<b>2011</b>	2010	<b>2011</b>	2010
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Turnover	<b>70</b>	69	-	-
Cost of sales	<b>(30)</b>	(30)	-	-
Gross profit	<b>40</b>	39	-	-
Administrative expenses	<b>(1)</b>	(1)	-	-
Interest receivable	-	-	-	-
Profit before payment of gift aid	<b>39</b>	38	-	-
Gift aid payment	<b>(39)</b>	(38)	-	-
Total	<b>-</b>	-	<b>-</b>	-

#### **13. Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2011</b>	2010	<b>2011</b>	2010
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Trade debtors	<b>268</b>	381	<b>258</b>	370
Amounts due from group undertakings	-	-	<b>13</b>	15
Other debtors	<b>9</b>	4	<b>9</b>	4
Prepayments & accrued income	<b>172</b>	226	<b>172</b>	226
	<b>449</b>	611	<b>452</b>	615

#### **14. Creditors**

	<b>Group</b>		<b>Charity</b>	
	<b>2011</b>	2010	<b>2011</b>	2010
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Trade creditors	<b>135</b>	165	<b>135</b>	165
Social security and other taxes	<b>65</b>	78	<b>62</b>	75
Other creditors	<b>16</b>	65	<b>16</b>	64
Accruals & deferred income	<b>214</b>	197	<b>214</b>	197
	<b>430</b>	505	<b>427</b>	501

## **FREEWAYS**

### **Notes to the financial statements for the year ended 31 March 2011**

#### **15. Statement of funds**

	<b>At 1 April 2010 £'000</b>	<b>Incoming resources £'000</b>	<b>Resources expended £'000</b>	<b>Gains/ (losses)/ transfers £'000</b>	<b>At 31 March 2011 £'000</b>
<b>Unrestricted funds</b>					
General fund	425	5,573	(5,401)	(124)	<b>473</b>
Pension reserve	(284)	2	-	(53)	<b>(335)</b>
	<b>141</b>	<b>5,575</b>	<b>(5,401)</b>	<b>(177)</b>	<b>138</b>
<b>Restricted funds</b>					
Supporting people	4	-	-	(4)	-
Safeguarding mapping project	20	-	(13)	-	<b>7</b>
Work & learning opportunities	-	48	(30)	-	<b>18</b>
	<b>24</b>	<b>48</b>	<b>(43)</b>	<b>(4)</b>	<b>25</b>
<b>Total funds</b>	<b>165</b>	<b>5,623</b>	<b>(5,444)</b>	<b>(181)</b>	<b>163</b>

**Supporting people** – supporting people grants for the provision of supported living projects in Bristol and North Somerset. During 2011, incoming resources and resources expended have been included within unrestricted funds

**Safeguarding mapping project** – project to fund a review of safeguarding within Supporting People funded services to ascertain the barriers to reporting concerns or actual abuse and produce a training pack for Supporting People providers in Bristol

**Work & learning opportunities** – to fund an employment development worker to support people with learning disabilities within Freeways into paid employment and to place service users within work placements in different areas of Freeways

During the year the group paid £128,000 into the defined benefit pension scheme which is included in the transfer between the General Fund and the Pension reserve. Actuarial losses in respect of the pension scheme amounted to £181,000 and are included in the total for gains, losses and transfers during the year

#### **16. Analysis of net assets between funds**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total funds 2011 £'000</b>	<b>Total funds 2010 £'000</b>
Tangible fixed assets	<b>28</b>	-	<b>28</b>	31
Current assets	<b>875</b>	<b>25</b>	<b>900</b>	923
Creditors due within 1 year	<b>(430)</b>	-	<b>(430)</b>	(505)
Provisions for liabilities & charges	<b>(335)</b>	-	<b>(335)</b>	(284)
	<b>138</b>	<b>25</b>	<b>163</b>	165

## **FREEWAYS**

### **Notes to the financial statements for the year ended 31 March 2011**

#### **17. Net cash flow from operating activities**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Net incoming resources before revaluations	<b>179</b>	68
Depreciation of tangible fixed assets	<b>16</b>	18
Decrease / (increase) in debtors	<b>162</b>	(339)
(Decrease) / increase in creditors	<b>(75)</b>	192
FRS17 pension adjustment	<b>(130)</b>	(26)
	<b>152</b>	(87)

#### **18. Analysis of cash flows for headings netted in cash flow statement**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	<b>(13)</b>	(9)
	<b>(13)</b>	(9)

#### **19. Analysis of changes in net funds**

	<b>1 April</b>	<b>Cash flow</b>	<b>Other</b>	<b>31 March</b>
	<b>2010</b>	<b>£'000</b>	<b>non-cash</b>	<b>2011</b>
	<b>£'000</b>		<b>changes</b>	<b>£'000</b>
			<b>£'000</b>	
Cash at bank and in hand	312	139	-	451
<b>Net funds</b>	<b>312</b>	<b>139</b>	<b>-</b>	<b>451</b>

#### **20. Pension commitments**

##### **Defined contribution scheme**

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £19,381 (2010 £26,749)

##### **Defined benefit scheme**

The group operates a defined benefit pension scheme providing benefits based on final pensionable pay. The scheme was closed to future accrual from 1 April 2007.



## **FREEWAYS**

### **Notes to the financial statements for the year ended 31 March 2011**

#### **20. Pension commitments (cont'd)**

The assets of the scheme are held separately from those of the company. The scheme has been closed to new members and future accrual and as a result of this the current service cost will be nil for all future years.

**The main financial assumptions used by the actuary to calculate the scheme liabilities under FRS 17 were:**

	<b>2011</b>	<b>2010</b>	<b>2009</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Inflation	<b>3.3</b>	3.4	3.1
Rate of increase in salaries	-	-	-
Rate of increase in pensions	<b>3.20</b>	3.25	2.9
Discount rate for liabilities	<b>5.9</b>	6.1	7.0
Rate of increase for pensions in deferment (excess over GMP)	<b>3.3</b>	3.4	3.2

Mortality rate assumptions have been reviewed during the year and modified to reflect recent research. For 2011 the mortality assumptions for pensioners and deferred members are 100% of S1PM/FA mortality tables, with improvements in line with CMI\_2010\_M/F 1% projections

For 2010 and 2009 the mortality assumptions for pensioners and deferred members are 120% of the "92" Series mortality tables, with an allowance made for mortality improvements in line with "short cohort" improvement factors

**The amounts recognised in the Statement of Financial Activities (SoFA) are as follows:**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Expected return on scheme assets	<b>(154)</b>	(109)
Interest cost	<b>152</b>	139
Total (income)/charge recognised in net incoming resources	<b>(2)</b>	30

**The following table provides the reconciliation of funded status to the balance sheet:**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets	<b>2,537</b>	2,231
Present value of funded scheme liabilities	<b>(2,872)</b>	(2,515)
Net pension liability	<b>(335)</b>	(284)

Freeways expects to pay £128,000 of employer contributions to the Scheme in 2011/12

## **FREEWAYS**

### **Notes to the financial statements for the year ended 31 March 2011**

#### **20. Pension commitments (cont'd)**

**The value of scheme assets as follows:**

	<b>2011</b>		<b>2010</b>	
	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>
Equities, Commodities and Hedge Funds	<b>69.8</b>	<b>1,771</b>	61.8	1,377
Gilts	-	-	3.3	74
Corporate bonds	<b>18.6</b>	<b>472</b>	18.7	417
Cash	<b>8.2</b>	<b>209</b>	12.7	284
Other assets	<b>3.4</b>	<b>85</b>	3.5	79
Total	<b>100.0</b>	<b>2,537</b>	100.0	2,231

**The expected rates of return on assets of the scheme were:**

	<b>2011</b>	<b>2010</b>
	<b>%</b>	<b>%</b>
Equities, Commodities and Hedge Funds	<b>7.5</b>	7.8
Gilts	<b>4.3</b>	4.4
Corporate bonds	<b>5.9</b>	5.6
Cash	<b>3.8</b>	4.4
Other assets	<b>5.9</b>	6.1
Average	<b>6.8</b>	6.8

The expected returns on scheme assets are estimates of market expectations at the beginning of the period for returns over the entire life of the benefit obligation.

## **FREEWAYS**

### **Notes to the financial statements for the year ended 31 March 2011**

<b>Changes to the present value of the scheme liabilities during the year:</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Value of scheme liabilities at 1 April 2010	<b>2,515</b>	2,008
Interest cost	<b>152</b>	139
Benefits paid out	<b>(43)</b>	(34)
Actuarial gain/(loss) on scheme liabilities	<b>248</b>	402
Value of scheme liabilities at 31 March 2011	<b>2,872</b>	2,515
<b>Changes to the fair value of the Scheme assets during the year:</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Fair value of scheme assets at 1 April 2010	<b>2,231</b>	1,716
Expected return on scheme assets	<b>154</b>	109
Contributions by the employer	<b>128</b>	56
Benefits paid out	<b>(43)</b>	(34)
Actuarial gain/(loss) on scheme assets	<b>67</b>	384
Fair value of scheme assets at 31 March 2011	<b>2,537</b>	2,231
<b>Analysis of amount recognised in Statement of Financial Activities (SoFA):</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Total actuarial loss	<b>(181)</b>	(18)

The cumulative amount of actuarial losses recognised in the SoFA is a loss of £955,000 (2010 £774,000)

#### **History of assets values, present values of liabilities and deficit in scheme:**

	<b>2011 £'000</b>	<b>2010 £'000</b>	<b>2009 £'000</b>	<b>2008 £'000</b>	<b>2007 £'000</b>
Fair value of scheme assets	<b>2,537</b>	2,231	1,716	2,093	2,182
Present value of scheme liabilities	<b>(2,872)</b>	(2,515)	(2,008)	(2,365)	(2,457)
Deficit in Scheme	<b>(335)</b>	(284)	(292)	(272)	(275)

#### **Experience gains and losses:**

	<b>2011 £'000</b>	<b>2010 £'000</b>	<b>2009 £'000</b>	<b>2008 £'000</b>	<b>2007 £'000</b>
Experience gains/(losses) on scheme assets	<b>(22)</b>	65	25	(4)	(48)
Experience gains/(losses) on scheme liabilities	<b>67</b>	384	(547)	(283)	(2)

## **FREEWAYS**

### **Notes to the financial statements for the year ended 31 March 2011**

#### **21. Related party transactions**

The trustees are also the trustees of Freeways Trust, a charitable company that provides residential and day care services building facilities for persons with learning disabilities. Freeways leases the charity's properties and paid £662,148 (2010 £713,169) to Freeways Trust in the year ended 31 March 2011. Freeways Trust paid £23,579 (2010 £33,553) to Freeways in respect of management charges and made a grant to Freeways of £600 (2010 £19,039) during the year. At the year end Freeways Trust owed Freeways £6,111 in respect of a rent rebate. At the 2010 year end, Freeways owed Freeways Trust £50,074 in respect of legacy income.

#### **22. Capital commitments**

At 31 March 2011 there were no capital commitments (2010 nil).

#### **23. Operating lease commitments**

At 31 March 2011 the Group had annual commitments under non-cancellable operating leases as follows,

<b>Group &amp; charity Expiry date</b>	<b>Land &amp; buildings</b>		<b>Other</b>	
	<b>2011 £'000</b>	<b>2010 £'000</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Within 1 year	-	-	<b>17</b>	28
Between 2 and 5 years	<b>478</b>	692	<b>5</b>	6