

Charity number: 298603

Freeways

Registered number: 02209114

Trustees report and consolidated financial statements

For the year ended 31 March 2014

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FREEWAYS
(A Company Limited by Guarantee)

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FREEWAYS
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2014

Trustees N V Bryan, Executive (resigned 13/6/2013)
M J Campbell, Non-executive
L B Cooke, Non-executive
C Hayward, Executive
P J Laszlo, Non-executive
F S Morton, Chair
G Northcott, Non-executive (resigned 23/7/2013)
C W Walker, Non-executive

Company registered number 02209114

Charity registered number 298603

Registered office Leigh Court Day Centre
Pill Road
Bristol
BS8 3RA

Company secretary K P Pritchard

Independent auditors Mazars LLP
Chartered Accountants
Clifton Down House
Beaufort Buildings
Clifton Down
Bristol
BS8 4AN

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

Solicitors Burges Salmon LLP
One Glass Wharf
Bristol
BS2 0ZX

FREEWAYS

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2014

The Trustees (who are also the directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Freeways (the charity) for the year ended 31 March 2014. The Trustees confirm that the Annual Report and Financial Statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Trustees' responsibilities statement

The Trustees (who are also directors of Freeways for the purposes of company law) are responsible for preparing the Trustees' Report and 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

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. In the last year the job description and person specification for the role of Trustee have been reviewed and the board have agreed the amendments.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2014

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.

Objectives and activities

The objects of the charity as set out in its Memorandum of Association are the provision of services for adults with learning disabilities. The organisations' mission statement "A provider of Choice" is the defining statement that outlines how Freeways chooses to conduct its objectives.

During 2012/13 a new business plan was developed for the three year period 2013 to 2016 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 sets out six key aims for Freeways;

- Putting People First
- Planning for the Future
- Having Great Staff
- Making Every Penny Count
- Being Active in the Community
- Ensuring Effective Governance and Compliance

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.

All of the services follow person centred methodologies to ensure quality outcomes for primarily the service users but also the staff that work for the organisation. We believe that having the right staff in the correct role for their skills ensures they work at the standard our clients deserve.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

Achievements and Performance

Putting People First

In the last 12 months we have supported up to 100 people at any one time within residential placements with 24 hour support across the counties of North Somerset, Bristol, South Gloucestershire and Bath & North East Somerset. We have also continued to support individuals living within their own tenancy across all four counties, this number totals 228 individuals. The community day services and hydrotherapy pool have supported just under 200 additional people with numerous activities over the year.

Freeways worked with its main landlord Freeways Trust to improve the environment of one of its services recognising the impact the environment can have on individuals. Although this meant reducing the capacity of the service, it was felt that quality of life for the service users was the primary concern.

One of the most important strands of our work is ensuring the safety of the users of our services. We have started to work through a structured process of giving information regarding safeguarding and supporting individuals to increase their knowledge in this area. In line with this we have continued to work hard to increase the feedback we receive about the services, as we recognise that we will only continue to improve through the receipt of both internal and external information. This has a secondary outcome; empowering the users by having their views taken into account.

Through our work towards independence we saw 64 people leave our community services because they had

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2014

met the outcomes they had wanted to achieve, with some no longer requiring support. This is a great boost to our staff as they see over 10% of the people we support achieve their goals and improve their lives to the point where they no longer need us. Meanwhile, others have benefited from the opportunity to move to greater independence within the organisation.

Having Great Staff

Our staff are at the core of a quality service. Freeways recognised the need to ensure its staff have the right values to be able to ensure a safe and person centred environment where the users of the service can be offered the opportunity to reach their potential. In the last year the recruitment processes for frontline staff have been radically overhauled including all new staff signing up to a values statement and a trial for both sides of the relationship to be certain it will be a positive outcome for all.

Managers and assistant managers have received a program of events to ensure their success at supporting staff to maximise their potential, so they in turn can fulfil the charitable objectives and ensure positive outcomes for the users of the services.

Being Active in the Community

We have focused a lot of attention this year towards supporting the users of our service to access the community and be part of the community in which they live. Our volunteer project 'V-Squared' continues to help people with learning difficulties to be successful volunteers. With support coming from volunteer mentors, 100% of the people with learning difficulties who have accessed the service have obtained volunteering opportunities in a diverse range of placements. The learning from this project has also supported people accessing other services to get placements at local projects such as Portishead outdoor swimming pool.

Our hydrotherapy pool has a wide range of users and continues to support many local groups including the fibromyalgia group, run aqua aerobics, individual support and warm water sessions. The stories our service users tell us of their battles to increase or maintain their physical fitness are inspirational.

Freeways has continued to hire out part of the Head Office premises to outside organisations for training. Furthermore, the organisation has provided chargeable training to external bodies and this has also generated funds within the financial year.

Planning for the future

Our focus for the years ahead will be to work closely with our primary landlord and other key stakeholders in order to continue to specialise our services to meet the changing needs and demands of our present and future clients. This may include continuing to increase our provision of supported living accommodation and the development of services that specialise in specific needs (e.g. dementia).

This means that effort is being expended to support our staff teams to ensure a robust response to the changes and focusing more on customer service skills and overcoming challenges. We recognise that the success of the organisation over the last year has helped us secure a solid footing to take the organisation into an exciting future.

Financial review

Making Every Penny Count

Total incoming resources for the year were 1% lower at £5,841k (2013: £5,877k) due largely to a slight fall in legacy income and donations in 2013/14. The operating surplus, for the year before actuarial losses was £313k (2013: £246k), after the transfer of £128k to the pension scheme as part of the recovery plan, representing a slight improvement over the previous year. This improvement reflects the cost control, value analysis and careful management of the Group's resources during a difficult economic climate. After taking account of actuarial losses for the year of £190k (2013: £146k gains) arising on the Group's defined benefit pension scheme, which was closed to future accruals in 2007, the net surplus on total funds was £123k (2013: £392k).

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2014

Overall, total funds ended the year at £564K (2013: £441k), unrestricted funds increased to £856k (2013: £677k), the pension reserve deficit increased to £296k (2013: £270k deficit) and restricted funds fell to £4k (2013: £34k).

Full results for the year are given on page 8.

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, 2014/15 budget and future plans.

The policy continues to be set at building free reserves to two month's expenditure (currently £917k) 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.

Free reserves, excluding the pension reserve deficit at 31 March 2014 were £794k (2013: £600k) and, therefore, still fall 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.

The pension reserve deficit at 31 March of £296k (2013: £270k 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.

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.

Principal risks and uncertainties

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.


The Board of Trustees and the Senior Management Team have reviewed Freeways Risk Register in line with the updated business plan ensuring that appropriate risks have been recognised with mitigation and monitoring where required to ensure the current control environment is sufficiently robust.

Disclosure 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 charitable group's auditors are unaware, and
- that 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 charitable group's auditors in connection with preparing their report and to establish that the charitable group's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.


F S Morton, Chair

23 September 2014

FREEWAYS

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF FREEWAYS

We have audited the financial statements of Freeways for the year ended 31 March 2014 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow 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, 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.

We have been appointed as auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report to you in accordance with those Acts. 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 trustees 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 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 charity and the charity's trustees as a body for our audit work, for this report, or for the opinion 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 website at www.frc.org.uk/auditscopeukprivate.

Opinion on 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 2014 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 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

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

FREEWAYS

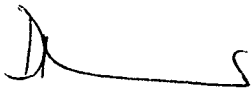
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to take advantage of the small companies exemption in preparing the Trustees' Annual Report.



Richard Bott (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

Clifton Down House
Beaufort Buildings
Clifton Down
Bristol
BS8 4AN

8/10/14

FREEWAYS
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Pension reserve 2014 £	Total funds 2014 £	Total funds 2013 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	16	-	-	16	43
Activities for generating funds	3,4	7	-	-	7	6
Investment income		1	-	36	37	9
Incoming resources from charitable activities	5	5,653	-	-	5,653	5,691
Other incoming resources	6	-	-	128	128	128
Total incoming resources		5,677	-	164	5,841	5,877
Resources expended						
Costs of generating funds:						
Fundraising trading	4	5	-	-	5	12
Charitable activities	7	5,480	23	-	5,503	5,598
Governance costs	8	20	-	-	20	21
Total resources expended		5,505	23	-	5,528	5,631
Net incoming resources before transfers		172	(23)	164	313	246
Transfers between Funds	18	7	(7)	-	-	-
Net incoming resources before investment asset disposals		179	(30)	164	313	246
Actuarial gains and losses on defined benefit pension schemes		-	-	(190)	(190)	146
Net incoming resources for the year		179	(30)	(26)	123	392
Net movement in funds for the year		179	(30)	(26)	123	392
Total funds at 1 April 2013		677	34	(270)	441	49
Total funds at 31 March 2014	18	856	4	(296)	564	441

All activities relate to continuing operations.

FREEWAYS


Registered number: 02209114

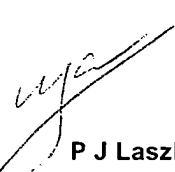
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	13		62		78
Current assets					
Debtors	16	628		568	
Cash at bank and in hand		704		1,170	
		<u>1,332</u>		<u>1,738</u>	
Creditors: amounts falling due within one year	17	<u>(534)</u>		<u>(1,105)</u>	
Net current assets			<u>798</u>		<u>633</u>
Total assets less current liabilities			<u>860</u>		<u>711</u>
Defined benefit pension scheme liability	22		<u>(296)</u>		<u>(270)</u>
Net assets including pension scheme liabilities			<u><u>564</u></u>		<u><u>441</u></u>
Funds					
Pension reserve	18		(296)		(270)
Restricted funds	18		4		34
Unrestricted funds	18		<u>856</u>		<u>677</u>
Shareholders' and Charity's funds			<u><u>564</u></u>		<u><u>441</u></u>

The financial statements were approved by the Trustees on 23 September 2014 and signed on their behalf, by:


F S Morton, Chair


P J Laszlo

FREEWAYS

Registered number: 02209114

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CHARITY BALANCE SHEET

AS AT 31 MARCH 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	13		62		78
Current assets					
Debtors	16	659		641	
Cash at bank and in hand		669		1,092	
		<u>1,328</u>		<u>1,733</u>	
Creditors: amounts falling due within one year	17	(533)		(1,103)	
Net current assets			<u>795</u>		<u>630</u>
Total assets less current liabilities			<u>857</u>		<u>708</u>
Defined benefit pension scheme liability	22		(296)		(270)
Net assets including pension scheme liabilities			<u>561</u>		<u>438</u>
Funds					
Pension reserve	18		(296)		(270)
Restricted funds	18		4		34
Unrestricted funds	18		853		674
Total funds			<u>561</u>		<u>438</u>

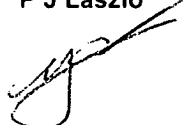
23/9/2014

The financial statements were approved by the Trustees on 1 and signed on their behalf, by:

F S Morton, Chair



P J Laszlo



FREEWAYS
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CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	20	(466)	289
Capital expenditure and financial investment		-	(78)
(Decrease)/Increase in cash in the year		<u>(466)</u>	<u>211</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 MARCH 2014

		2014 £	2013 £
(Decrease)/Increase in cash in the year		<u>(466)</u>	<u>211</u>
Movement in net funds in the year		<u>(466)</u>	<u>211</u>
Net funds at 1 April 2013		1,170	959
Net funds at 31 March 2014	21	<u>704</u>	<u>1,170</u>

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NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2014**

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

1.2 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

1.3 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.

1.4 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 the future development of the charity.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	10-33% straight line
Furniture, fixtures and fittings	-	20 -33% straight line
Assets under construction	-	Not depreciated

1.6 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.

1.7 Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

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 Projected Unit Credit 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.

2. Voluntary income

	Unrestricted funds 2014 £	Restricted funds 2014 £	Pension reserve 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	16	-	-	16	9
Legacies	-	-	-	-	34
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	16	-	-	16	43
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

3. Activities for generating Funds

	Unrestricted funds 2014 £	Restricted funds 2014 £	Pension reserve 2014 £	Total funds 2014 £	Total funds 2013 £
Conference & Room Hire	7	-	-	7	6
	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>6</u>

4. Cost of generating funds

	Unrestricted funds 2014 £	Restricted funds 2014 £	Pension reserve 2014 £	Total funds 2014 £	Total funds 2013 £
Fundraising trading expenses					
Staff Costs	2	-	-	2	7
Support Costs	3	-	-	3	5
	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>12</u>
Net expenditure from cost of generating funds	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>(12)</u>

5. Incoming resources from charitable activities

	Unrestricted funds 2014 £	Restricted funds 2014 £	Pension reserve 2014 £	Total funds 2014 £	Total funds 2013 £
Residential care	5,507	-	-	5,507	5,534
Hydrotherapy services	146	-	-	146	157
	<u>5,653</u>	<u>-</u>	<u>-</u>	<u>5,653</u>	<u>5,691</u>

6. Other incoming resources

	Unrestricted funds 2014 £	Restricted funds 2014 £	Pension reserve 2014 £	Total funds 2014 £	Total funds 2013 £
Deficit contributions to pension scheme	-	-	128	128	128
	<u>-</u>	<u>-</u>	<u>128</u>	<u>128</u>	<u>128</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

7. Resources expended on charitable activities

Summary by expenditure type

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Residential care	3,651	15	1,630	5,296	5,363
Hydrotherapy services	97	1	86	184	214
Education and employment services	20	-	3	23	21
	<u>3,768</u>	<u>16</u>	<u>1,719</u>	<u>5,503</u>	<u>5,598</u>

8. Governance costs

	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	10	10	12
Trustee Insurance	3	3	3
Support costs	2	2	2
Staff costs	5	5	4
	<u>20</u>	<u>20</u>	<u>21</u>

9. Net incoming resources

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets: - owned by the charitable group	16	-
Auditors' remuneration	<u>10</u>	<u>12</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

10. Trustees' and Directors' remuneration

	Salary and benefits £	Pension Contribution £	2014 £	2013 £
N Bryan (resigned 13 June 2013)	10	-	10	45
C Hayward	53	2	55	9

The number of directors to whom retirement benefits are accruing under defined contribution schemes amount to one (2013: nil).

During the year the Non-Executive Directors did not receive any remuneration or reimbursement of their expenses on behalf of the company.

Indemnity insurance was purchased at a cost of £2,826 (2013: £2,826) to cover trustees, directors and employees.

11. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	3,371	3,336
Social security costs	255	254
Other pension costs (Note 22)	150	153
	<u>3,776</u>	<u>3,743</u>

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

	2014 No.	2013 No.
Care of residents	231	217
Administration	8	9
	<u>239</u>	<u>226</u>

No employee received remuneration amounting to more than £60,000 in either year.

12. Other finance income

	2014 £	2013 £
Expected return on pension scheme assets	182	166
Interest on pension scheme liabilities	(146)	(158)
	<u>36</u>	<u>8</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

13. Tangible fixed assets

Group and Charity	Motor vehicles £	Furniture, fixtures & fittings £	Assets under construction £	Total £
Cost				
At 1 April 2013	4	428	78	510
Transfer between classes	-	78	(78)	-
At 31 March 2014	4	506	-	510
Depreciation				
At 1 April 2013	4	428	-	432
Charge for the year	-	16	-	16
At 31 March 2014	4	444	-	448
Net book value				
At 31 March 2014	-	62	-	62
At 31 March 2013	-	-	78	78

14. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Leigh Court Services Limited	England and Wales	100	Undertaking trading activities on behalf of Freeways

15. Results of trading subsidiary

The charity owns one trading subsidiary, Leigh Court Services Limited, which undertakes trading activities on behalf of Freeways. All profits of the subsidiary undertaking are gifted to the charity. Trading results for the active subsidiary the year ended 31 March 2014 are shown below. At the start of the year the charity owned a second trading subsidiary, Freeways Services Ltd, a dormant company that was dissolved during the year.

	2014 £	2013 £
Turnover	61	72
Cost of sales	(27)	(31)
Gross profit	34	41
Administrative expenses	(1)	(1)
Profit before gift aid payment	33	40
Gift aid payment	(33)	(40)
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

16. Debtors

	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	431	337	426	323
Amounts owed by group undertakings	-	-	35	87
Other debtors	24	39	24	39
Prepayments and accrued income	173	192	174	192
	628	568	659	641

17. Creditors: Amounts falling due within one year

	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	242	241	242	241
Pension creditor	-	8	-	8
Other taxation and social security	57	62	55	60
Other creditors	50	272	50	272
Accruals and deferred income	185	522	186	522
	534	1,105	533	1,103

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

18. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Legacy	34	-	(7)	-	-	27
General funds						
General fund	643	5,677	(5,498)	7	-	829
Total Unrestricted funds	677	5,677	(5,505)	7	-	856
Pension reserve						
Pension reserve	(270)	164	-	-	(190)	(296)
Restricted funds						
Safeguarding mapping project	7	-	-	(7)	-	-
Working and learning Opportunities	27	-	(23)	-	-	4
	34	-	(23)	(7)	-	4
Total of funds	441	5,841	(5,528)	-	(190)	564

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 - grant from Learning Disability Development Fund to fund a employment development worker to support people with learning disabilities within Freeways into paid employment.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

19. Analysis of net assets between funds

	Unrestricted funds 2014 £	Restricted funds 2014 £	Pension reserve 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	62	-	-	62	78
Current assets	1,328	4	-	1,332	1,739
Creditors due within one year	(534)	-	-	(534)	(1,106)
Provisions for liabilities and charges	-	-	(296)	(296)	(270)
	<u>856</u>	<u>4</u>	<u>(296)</u>	<u>564</u>	<u>441</u>

20. Net cash flow from operations

	2014 £	2013 £
Net incoming resources	123	392
Depreciation of tangible fixed assets	16	-
Increase in debtors	(60)	(156)
(Decrease)/increase in creditors	(571)	335
Actuarial gains and losses	190	(146)
FRS 17 pension adjustment	(164)	(136)
Net cash (outflow)/inflow from operations	<u>(466)</u>	<u>289</u>
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	-	(78)

21. Analysis of changes in net funds

	1 April 2013 £	Cash flow £	Other non-cash changes £	31 March 2014 £
Cash at bank and in hand:	1,170	(466)	-	704
Net funds	<u>1,170</u>	<u>(466)</u>	<u>-</u>	<u>704</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

22. Pension commitments

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 £22k (2013: £25k).

The group operates a Defined Benefit Pension Scheme.

The group operates a pension scheme for all qualifying employees. The assets of the scheme are held in a separate trustee-administered fund. The scheme is closed to future accrual. During the year £128k (2013: £128k) was paid as part of the deficit funding agreement.

Independent consulting actuaries, Hughes Price Walker Ltd, update the actuarial valuations at each balance sheet date.

The amounts recognised in the Balance Sheet are as follows:

	2014	2013
	£	£
Present value of funded obligations	(3,536)	(3,282)
Fair value of scheme assets	3,240	3,012
	<hr/>	<hr/>
Net liability	(296)	(270)
	<hr/>	<hr/>

The amounts recognised in the Statement of Financial Activities are as follows:

	2014	2013
	£	£
Interest on obligation	(146)	(158)
Expected return on scheme assets	182	166
	<hr/>	<hr/>
Total	36	8
	<hr/>	<hr/>

Movements in the present value of the defined benefit obligation were as follows:

	2014	2013
	£	£
Opening defined benefit obligation	3,282	3,200
Interest cost	146	158
Actuarial Losses	172	8
Benefits paid	(64)	(84)
	<hr/>	<hr/>
Closing defined benefit obligation	3,536	3,282
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

22. Pension commitments (continued)

Changes in the fair value of scheme assets were as follows:

	2014	2013
	£	£
Opening fair value of scheme assets	3,012	2,648
Expected return on assets	182	166
Actuarial gains and (losses)	(18)	154
Contributions by employer	128	128
Benefits paid	(64)	(84)
	<u>3,240</u>	<u>3,012</u>

The cumulative amount of actuarial gains and losses recognised in the Consolidated Statement of Financial Activities was £-1,352k (2013 - £-1,162k).

The group expects to contribute £128k to its Defined Benefit Pension Scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities/Unit Trusts	71.70 %	63.89 %
Corporate Bonds	20.31 %	19.72 %
Cash	5.34 %	11.32 %
Other	2.65 %	2.95 %
Property	- %	2.12 %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2014	2013
Discount rate at 31 March	4.40 %	4.50 %
Expected return on scheme assets at 31 March	6.50 %	6.00 %
Rate of price inflation (RPI)	3.60 %	3.60 %
Rate of increase for pensions in deferment	2.60 %	2.60 %
Rate of pension increases: pensions accrued from 6 April 1997 to 31 March 2001	3.80 %	3.80 %
Rate of pension increases: pension accrued from 1 April 2001	3.40 %	3.40 %

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

22. Pension commitments (continued)

The mortality assumptions as at 31 March 2014 were before and after retirement 100% of S1PM/FA mortality tables with improvements in line with the CMI_2013_M/F (1%) projections.

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2014	2013	2012	2011	2010
	£	£	£	£	£
Defined benefit obligation	(3,536)	(3,282)	(3,200)	(2,872)	(2,515)
Scheme assets	3,240	3,012	2,648	2,537	2,231
Deficit	<u>(296)</u>	<u>(270)</u>	<u>(552)</u>	<u>(335)</u>	<u>(284)</u>

	2014	2013	2012	2011	2010
	£	£	£	£	£
Experience adjustments on scheme liabilities	32	432	(64)	(22)	65
Experience adjustments on scheme assets	(18)	154	(136)	67	384

23. Operating lease commitments

At 31 March 2014 the group and charity had annual commitments under non-cancellable operating leases as follows:

	2014	2013
	£	£
Group and charity		
Expiry date:		
Within 1 year	6	1
Between 2 and 5 year	<u>59</u>	<u>35</u>

24. Other financial commitments

At the year ended 31 March 2014, the group and charity had contracts in place for future expenditure not provided in the financial statements of £12,000 (2013: nil).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

25. 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 leased the charity's properties and paid £483,112 (2013: £718,942) to Freeways Trust in the year ended 31 March 2014. Freeways Trust paid £7,116 (2013: £7,259) to Freeways in respect of management charges. At the year end Freeways owed Freeways Trust £38,870 (2013: £450,855) and Freeways Trust owed Freeways £nil (2013: £20,553).