

Charity number: 298603

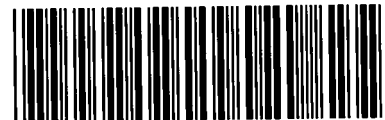
Freeways

Registered number: 02209114

Trustees' report and consolidated financial statements

For the year ended 31 March 2018

FRIDAY



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31/08/2018
COMPANIES HOUSE

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 2018

Trustees C C Britton, Non-executive
L B Cooke, Non-executive
A Heaton, Non-executive
P J Laszlo, Non-executive
F S Morton, Chair, Non-executive
C W Walker, Non-executive (resigned 20/3/2018)

Company registered number 02209114

Charity registered number 298603

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

Company secretary K P Pritchard (resigned 22/03/2018)
D G Slack (appointed 11/04/2018)

Chief executive officer Claire Hayward

Independent auditor Mazars LLP
Chartered Accountants
90 Victoria Street
Bristol
BS1 6DP

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

Royal Bank of Scotland
PO Box 2702
3 Temple Back East
Temple Quay
Bristol
BS1 9BW

Solicitors Burges Salmon LLP
One Glass Wharf
Bristol
BS2 0ZX

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The Trustees present their annual report together with the audited financial statements of the group and the charity for the year 1 April 2017 to 31 March 2018. The Trustees confirm that the Annual Report and financial statements of the charity and the group comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the charity and the group qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, Governance and Management

Freeways is a company limited by guarantee (Registered no. 2209114), registered in England and Wales, 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 the charity to the Chief Executive Officer who reports on the performance against strategic plans set and agreed by the Trustees.

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 at least bi-monthly updates by the Chief Executive Officer and, where appropriate, other members of the Senior Management Team.

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

None of the non-executive trustees receives remuneration or other benefit for their work with the charity. Any connection between a trustee and a related party or other organisation with which the charity co-operates must be disclosed in the same way as any other contractual relationship with a related party. The charity's wholly owned subsidiary Leigh Court Services Ltd was established to undertake trading activities on behalf of Freeways. All profits for the subsidiary undertaking are gifted to the charity (see note 14 of the accounts).

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'.

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 which are undertaken for the public benefit. The following outlines how we have supported the people who live in the residential homes, supported accommodation and in the community to further our charitable purpose.

The organisation's vision statement "A Provider of Choice" is the defining statement that outlines its intent and its mission statement "Quality, Wellbeing and Evolution" indicates how Freeways chooses to conduct its business.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

Freeways vision and mission are under-pinned by the following six values:

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

Achievements and Performance

Putting People First

The service user engagement groups have continued to be active this year.

"Our Project" is a group of service users that reviews policies and procedures and produces easy read guidance mainly for internal use. In the past year the facilitators realised that over time the group had become more of a social event so re-launched it in November 2017 with clear roles and group responsibilities. The newly appointed group leader is a service user who is determined to make the group as effective as possible.

Our Project continues to review new internal forms and documents before they have become adopted policy or guidance. They also produce easy read guidance for internal use and external consultation processes. The group has had a successful year.

Choice and Voice is our service user representative group. In the last year they stated they would like to do something to raise money for Freeways so through sponsored sporting events raised £250 which they gave to the gardening group to buy fruit trees. The group have said they would like to follow the same process that Our Project went through and review their role descriptions and invite new people to join the group.

The Open Day committee met as a task and finish group to plan and arrange our open day in July 2017. The group only just finished celebrating their successful event when they had to start the planning for 2018. Their great work makes the event fun for all.

The staff supporting service users all work really hard to ensure they help people achieve their goals and aspirations and celebrate their successes. It is really important that individuals are given an opportunity to tell their great stories of achievement over the last year. It is unfortunate that we cannot relay them all but below are three which show the diversity of the services:

- A new resident moved into a home after an abusive relationship, placement breakdowns and most recently a spell under section in a Secure Unit. There were a number of concerns regarding some significant risk factors but she is now, not only managing in the community but, thriving with really positive feedback from her social worker, health professionals and deprivation of liberty assessor.
- Another resident had lost contact with his extended family as his sister had dementia and he did not have contact details for her children. Through the support of his team he managed to meet his niece and nephew again and form a new and meaningful relationship with them.
- Another resident had a significant fear of the dentist. The impact of this was she refused appointments for a number of years and as a consequence started to have problems and pain. Through the kind understanding and amazing support from the team, and especially her keyworker, who liaised closely with the dentist, she has started to make regular visits. She was supported to take things at her own pace and make sure she stayed in control throughout. She started to have some treatment which has led to significant improvements both in her health and her wellbeing.

Having Great Staff

Freeways are really proud of the Bristol and South Gloucestershire Supported Living Team which won Best Supported Living Team at the Care and Support West Awards in October 2017. This was due to the work they

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

completed with an individual, with a terminal diagnosis, to continue to achieve outcomes and maintain important activities giving him dignity until he died in his own home.

We also had a manager who was a finalist in The Great British Care Awards South West for the hard work he undertook to improve a service.

We held the third year of our staff and service user awards in honour of individuals who impacted the charity which are given out at our Open day for individuals and teams who had made a significant contribution or achievement.

Recruitment remains a concern for the social care sector as a whole, and specific areas in which we work have very low unemployment. This impacts our ability to recruit highly capable individuals that have the values to ensure a quality service which promotes dignity in care and person centred support. Freeways have joined the Proud to Care initiative being run by a number of local authorities. We have staff experiences on their websites to promote care roles and advertise staff vacancies through them. We hope in the next year to work more closely to inform people of the work we do and improve society's view of care and support as a career.

We are coming to the end of our second year with the new post of trainee manager, where individuals are given the opportunity to take more responsibility and accountability, with the training and support required, to manage a service. The two individuals who undertook this time limited role have both been successful and one is now a manager and the other has just been successful and will be starting their position in the next financial year. We have three staff who have started as trainee managers in this year and hope they are just as successful and take up the opportunities afforded by the role.

The HR team continues to work well supporting managers to ensure we have great staff and results are evident in our HR data:

- Our 'average sick days per employee' is below the national average and we have reduced our long term sickness by over 75%.
- Our staff turnover has decreased by 6% and is below the Skills for Care South West average by almost 9%.

We have completed staff training in a number of key areas in order to support the strategic direction of the organisation including employment for people with learning disabilities. We continue to provide care certificate training but enhance this to also include additional policy and procedures, company expectations, organisational history and values. We outsource diplomas and specialist training covering a wide range of subjects including dementia, epilepsy and other health related topics, supporting people who are emotionally distressed, health and safety including IOSH and bespoke management courses for which we write our own tenders to ensure best value for money.

- We have an increase in the number of people signing up for Diploma level 3.
- All managers bar one, who is new to the organisation, have completed their management qualification
- All management positions within the services completed a bespoke training package to enhance their effectiveness within their role.
- Over 80% of staff have received an update in relation to safeguarding including human resources and finances department staff.

Being Active in the Community

The head office site welcomes individuals and organisations for training and therapies through private bookings, which, whilst raising income for the charity, also ensures a greater community feel.

We work hard to be visible within our local communities using a variety of different methods including:

- Basic use of local community facilities including shops, banks, sports centres, local businesses and support services such as libraries and health centres.
- Our Open day was a great success with local dignitaries, families, service users, trustees, staff and ex-

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

colleagues all coming together to celebrate all our successes. As we celebrated our 30th birthday this year, we celebrated in Leigh Court Mansion, where we started in 1987. The team had put together a number of photographs of people from the last 30 years and everyone enjoyed looking back at the past. We also had lots of new sporting and other activities to either watch, to pique our interest, and some to try, including archery.

- Two of our services in North Somerset have worked together to start a social event for people with learning disabilities who live locally. The aim was to support people to increase their social network and independence. The initial sessions were a success and the teams are planning to continue with them on a more regular basis into the next year.
- The day service have started to advertise regular picnic and activity events starting just after Easter and right through summer in Ashton Court Country Park. The aim of these events are to support local resources, be outside in nature, be active and make friends which are key elements supporting wellbeing.
- Freeways staff have gone out to schools and to carers' groups to talk to students about the work we do and promote a number of key strategic areas including employment and young people services.
- Freeways supports all service users to actively be part of their community which also means giving back to their community as part of wellbeing promotion. A number of individuals do voluntary work at places such as Noah's Ark Zoo and Portishead Lido. Freeways also took part in World Autism Awareness Week where staff and service users took part in different sporting activities to cover 7km – some people walked, others swam and some completed runs over the week.

The staff have also been involved with local safeguarding adults boards and managers have regularly discussed how they can learn from the experiences of others and improve training to staff and knowledge to the people we support and the wider community.

Staff also attend numerous provider events and conferences; members of the senior management team regularly represent providers at local boards and meetings with key individuals within the public sector.

Planning for the future

Freeways made the hard to decision to withdraw from the North Somerset Support Alliance Contract. Freeways had been part of the Support Alliance from its inception for 4 years but as the price offered by North Somerset had not increased in this period, the contract was no longer covering its costs. It was sad to say goodbye to some clients but we knew they would be supported by the other partners. The team continued to provide social care support to individuals across North Somerset as part of the framework agreement. One member of the team has started to support one of their clients with an employment tribunal which is a new area of work.

Freeways became sub-contracted to VirginCare providing housing related support to adults with a learning disability, physical and/or sensory impairment across Bath and North East Somerset. This is a transfer of the contract from B&NES council.

We have worked closely with our main landlord, Freeways Trust to improve the accommodation offer and facilities to our current service users and offer high quality environments in which to thrive.

This year we opened a new service in Cotham which provides four really high specification flats for individuals. One of the new tenants moved there from a shared home as his independence had increased and the others were filled by individuals new to Freeways.

One of our residential services was temporarily closed for refurbishment with the aim of re-opening it in July 2018 with all bedrooms having en suite facilities. This has also given a couple of people the ability to try supported living and some have chosen to remain in supported living.

The hydrotherapy pool, based in Abbots Leigh also upgraded its hoist and increased the number of changing rooms to be able to make best use of the facility and provide more privacy and dignity to its users. The pool also renegotiated its block contract with North Somerset health services for the provision of hydrotherapy and warm

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

water services to people with a learning disability living in North Somerset.

Freeways have also worked with the main landlord, Freeways Trust, to secure planning permission on one of its properties to provide specialist accommodation for people with high support needs leaving hospital to support them with greater independence in the community. We hope work on this property will start in the next financial year with individuals moving in during 2019 in line with our strategic aim.

Financial review - Making Every Penny Count

As with the rest of the social care community we continue to operate in a difficult funding environment but we have worked hard to review our fees with some of the local authorities with which we work to ensure the correct level of funding for the individuals we support.

Total incoming resources for the year were level at £5,491k (2017: £5,497k) supported by a rise in in donations of £34k. The operating surplus for the year before actuarial losses was £207k (2017: £96k), after the transfer of £128k to the pension scheme as part of the recovery plan. This surplus reflects the cost control, value analysis and careful management of the Group's resources during a difficult economic climate. After taking account of a small actuarial gain for the year of £71k (2017: £668k loss) arising on the Group's defined benefit pension scheme, which was closed to future accruals in 2007, the net surplus on total funds was £278k (2017: £572k deficit).

Overall, total funds ended the year at £531k (2017: £253k), unrestricted funds increased to at £1,330k (2017: £1,222k), the pension reserve deficit reduced to £792k (2017: £975k deficit) and restricted funds reduced to a deficit of £7k (2017: £6k).

We have continued to monitor the situation in respect of the law and guidance in regard to how staff who carry out sleep in shifts should be paid to ensure compliance with the National Living Wage. No changes were made in the financial year to the payment amounts or arrangements. We are aware of the recent judgement by the court of appeal (July 2018) which has clarified that staff carrying out a sleep in are not working unless they are required to be awake. However, there is an awareness that further legal challenges may be made or new guidance issued – we will continue to monitor the situation and take action as appropriate.

Full results for the year are given on page 12.

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, the 2018-19 budget and future plans. The policy continues to be set at building free reserves to at least two month's expenditure (currently £894k) 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 2018 were £1,312k (2017: £1,206k) and therefore meet the target level. The organisation will look to generate surpluses in future years to retain adequate reserves, however the plans set out below may necessitate some investment of 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 2018 of £792k (2017: £975k) 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.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

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 considers 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 current business plan ensuring that appropriate risks have been recognised, with mitigation and monitoring where required to ensure the current control environment is sufficiently robust.

Risks are identified against a number of key areas as follows: governance and management, external factors, financial factors and operational factors. The most significant risks facing the charity are around the external economic pressures impacting on the commissioning environment, the recruitment and retention of competent staff and reputational risks that relate to the sector in which the charity operates.

Key Management Personnel remuneration

The Trustees consider the Board of Trustees and the Senior Management Team to comprise the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis.

All Trustees give of their time freely and none of the non-executive trustees received remuneration in the past financial year. Trustees are required to disclose all relevant interests and register them with the Company Secretary. Details of trustee expenses and related party transactions are disclosed in note 8 of the accounts.

The Trustees benchmark Freeways' senior salaries against pay levels in other charities of a similar size, as far as possible. The remuneration of the Senior Management Team is reviewed annually and individual remuneration may be increased. If the market has been moving rapidly in the recent past a further market addition may also be paid within the benchmarked salary range for a comparable role.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

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.


Disclosure of information to auditor

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 auditor is 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 auditor in connection with preparing their report and to establish that the charitable group's auditor is 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


8/8/2018

FREEWAYS

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREEWAYS

Opinion

We have audited the financial statements of Freeways (the 'charity') for the year ended 31 March 2018 which comprise the group Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2018 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREEWAYS

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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 specific 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREEWAYS

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

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 company's members as a body for our audit work, for this report, or for the opinions we have formed.



Jonathan Marchant (Senior statutory auditor)

for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

90 Victoria Street
Bristol
BS1 6DP

Date: 10/8/18.

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Income and endowments from:					
Donations and legacies	2	34	8	42	8
Charitable activities	3	5,438	-	5,438	5,477
Other trading activities	4	10	-	10	11
Investments		1	-	1	1
Total income and endowments		5,483	8	5,491	5,497
Expenditure on:					
Raising funds		4	-	4	5
Charitable activities		5,259	21	5,280	5,396
Total expenditure	5	5,263	21	5,284	5,401
Net income / (expenditure) before actuarial gains/(losses)		220	(13)	207	96
Remeasurement (losses)/gains on defined pension scheme	22	71	-	71	(668)
Net income / (expenditure) before other recognised gains and losses		291	(13)	278	(572)
Net movement in funds		291	(13)	278	(572)
Reconciliation of funds:					
Total funds brought forward		247	6	253	825
Total funds carried forward		538	(7)	531	253

The notes on pages 16 to 31 form part of these financial statements.

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Registered number: 02209114

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CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

	Note	£000	2018 £000	2017 £000
Fixed assets				
Intangible assets	12	-	-	16
Tangible assets	13		18	-
			<u>18</u>	<u>16</u>
Current assets				
Debtors	15	326	331	
Cash at bank and in hand	21	1,278	1,203	
		<u>1,604</u>	<u>1,534</u>	
Creditors: amounts falling due within one year	16	(299)	(322)	
Net current assets			1,305	1,212
Total assets less current liabilities			1,323	1,228
Defined benefit pension scheme liability	22		(792)	(975)
Net assets including pension scheme liabilities			<u>531</u>	<u>253</u>
Funds				
Restricted funds	18		(7)	6
Unrestricted funds	18		538	247
Total funds			<u>531</u>	<u>253</u>

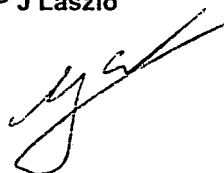
The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on *8 August 2018* and signed on their behalf, by:

F S Morton, Chair



P J Laszlo



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Registered number: 02209114

(A Company Limited by Guarantee)

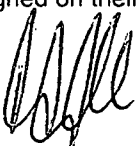
CHARITY BALANCE SHEET

AS AT 31 MARCH 2018

	Note	£000	2018 £000	£000	2017 £000
Fixed assets					
Intangible assets	12		-		16
Tangible assets	13		18		-
			<u>18</u>		<u>16</u>
Current assets					
Debtors	15	326		331	
Cash at bank and in hand		1,244		1,169	
		<u>1,570</u>		<u>1,500</u>	
Creditors: amounts falling due within one year	16	(296)		(319)	
Net current assets			<u>1,274</u>		<u>1,181</u>
Total assets less current liabilities			<u>1,292</u>		<u>1,197</u>
Defined benefit pension scheme liability	22		(792)		(975)
Net assets including pension scheme liabilities			<u>500</u>		<u>222</u>
Funds					
Restricted funds	18		6		6
Unrestricted funds	18		494		216
Total funds			<u>500</u>		<u>222</u>

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on *8 August 2018* and signed on their behalf, by:


F S Morton, Chair


P J Laszlo

FREEWAYS
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	<u>93</u>	<u>(35)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1	1
Purchase of tangible fixed assets		<u>(19)</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>(18)</u>	<u>1</u>
Change in cash and cash equivalents in the year		75	(34)
Cash and cash equivalents brought forward		<u>1,203</u>	<u>1,237</u>
Cash and cash equivalents carried forward	21	<u><u>1,278</u></u>	<u><u>1,203</u></u>

The notes on pages 16 to 31 form part of these financial statements.

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies

1.1 General information

Freeways is a private charitable company limited by guarantee, registered in England & Wales, company registered number 02209114 and registered with the Charity Commission, charity number 298603. Its registered office is Leigh Court Day Centre, Pill Road, Bristol, BS8 3RA.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Freeways meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The presentation currency of the financial statements is sterling and the financial statements are rounded to the nearest thousand pounds. The comparative information relates to the year ended 31 March 2017.

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. The result of the parent charity was a surplus of £278k (2017: £573k deficit) after taking into account the movement on the defined benefit pension fund.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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 which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

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

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.

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies (continued)

1.5 Expenditure

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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.

1.6 Intangible fixed assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Software	-	20% straight line
----------	---	-------------------

1.7 Tangible fixed assets and depreciation

All assets costing more than £10,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies (continued)

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

1.9 Going concern

The trustees consider that there are no material uncertainties about Freeway's abilities to continue as a going concern.

1.10 Operating leases

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

1.11 Interest receivable

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

1.12 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

The charity operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2015.

1.13 Debtors

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

1.14 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies (continued)

1.15 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.16 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Income from donations and legacies

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Donations	34	-	34	8
Grants	-	8	8	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	34	8	42	8
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	8	-	8	
	<hr/>	<hr/>	<hr/>	

3. Income from charitable activities

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Residential and community care	5,015	-	5,015	5,081
Hydrotherapy services	423	-	423	396
	<hr/>	<hr/>	<hr/>	<hr/>
	5,438	-	5,438	5,477
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	5,477	-	5,477	
	<hr/>	<hr/>	<hr/>	

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4. Activities for generating funds

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Conference & Room Hire	10	-	10	11
	<u>10</u>	<u>-</u>	<u>10</u>	<u>11</u>
Total 2017	<u>11</u>	<u>-</u>	<u>11</u>	

5. Analysis of Expenditure by expenditure type

	Staff costs 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Expenditure on fundraising trading	3	1	4	5
Costs of raising funds	<u>3</u>	<u>1</u>	<u>4</u>	<u>5</u>
Residential and community care	3,513	1,577	5,090	5,208
Hydrotherapy services	96	71	167	167
Charitable activities	<u>3,609</u>	<u>1,648</u>	<u>5,257</u>	<u>5,375</u>
Expenditure on governance	<u>5</u>	<u>18</u>	<u>23</u>	<u>21</u>
	<u>3,617</u>	<u>1,667</u>	<u>5,284</u>	<u>5,401</u>
Total 2017	<u>3,591</u>	<u>1,810</u>	<u>5,401</u>	

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6. Governance costs

	Unrestricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Auditors' remuneration	10	10	8
Governance Auditors' non audit costs	2	2	2
Trustee Insurance	4	4	4
Support costs	2	2	2
Staff costs	5	5	5
	<u>23</u>	<u>23</u>	<u>21</u>

7. Net income/(expenditure)

This is stated after charging:

	2018 £000	2017 £000
Amortisation - intangible fixed assets	16	15
Depreciation of tangible fixed assets:		
- owned by the charitable group	1	-
Auditor's remuneration - audit	10	8
Auditor's remuneration - other services	2	2
Operating lease rentals	37	47
	<u>76</u>	<u>72</u>

8. Trustees' remuneration

Trustees' remuneration was as follows:

	Salary and benefits £000	Pension Contribution £000	2018 £000	2017 £000
C Hayward	-	-	-	7

C Hayward resigned from the Board on 17 May 2016. Salary and benefits related to the period from 1 April 2016 to 17 May 2016.

The number of trustees to whom retirement benefits are accruing under defined contribution schemes amount to none (2017: none after 17 May 2016).

The Non-Executive Trustees did not receive any remuneration or reimbursement of their expenses on behalf of the company during the current or comparative year.

Indemnity insurance was purchased at a cost of £4k (2017: £4k) to cover trustees, directors and employees.

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9. Auditors' remuneration

The Auditor's remuneration amounts to an Audit fee of £10k (2017 - £9k), and preparation of financial statements of £2k (2017 - £2k).

10. Staff costs

Staff costs were as follows:

	2018	2017
	£000	£000
Wages and salaries	3,361	3,333
Social security costs	232	227
Other pension costs (Note 22)	24	31
	<hr/>	<hr/>
	3,617	3,591
	<hr/>	<hr/>

The average number of persons employed by the charity during the year was as follows:

	2018	2017
	No.	No.
Care of residents	203	214
Administration	20	17
	<hr/>	<hr/>
	223	231
	<hr/>	<hr/>

The number of higher paid employees was:

	2018	2017
	No.	No.
In the band £60,001 - £70,000	1	1

The key management personnel comprise the Chief Executive, the Finance Director, the three Senior Managers, the HR Manager and the Trustees. The total employee benefits of the key management personnel of the charity was £252k (2017: £252k).

11. Other finance expenditure

	2018	2017
	£000	£000
Interest income on pension scheme assets	98	126
Interest on pension scheme liabilities	(121)	(139)
	<hr/>	<hr/>
	(23)	(13)
	<hr/>	<hr/>

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12. Intangible fixed assets

Group and Charity	Software £000
Cost	
At 1 April 2017 and 31 March 2018	78
Amortisation	
At 1 April 2017	62
Charge for the year	16
At 31 March 2018	78
Carrying amount	
At 31 March 2018	-
At 31 March 2017	16

13. Tangible fixed assets

Group and Charity	Motor vehicles £000	Furniture, fixtures & fittings £000	Total £000
Cost			
At 1 April 2017	4	428	432
Additions	-	19	19
At 31 March 2018	4	447	451
Depreciation			
At 1 April 2017	4	428	432
Charge for the year	-	1	1
At 31 March 2018	4	429	433
Net book value			
At 31 March 2018	-	18	18

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

14. Principal subsidiary

The charity owns 100% of the shares in one trading subsidiary, Leigh Court Services Limited (a private company registered in England & Wales, registered number 06434021), 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 2018 are shown below.

	2018 £000	2017 £000
Turnover	53	53
Cost of sales	(24)	(24)
Gross profit	29	29
Administrative expenses	(1)	(1)
Profit before gift aid payment	28	28
Gift Aid payment	(28)	(28)
Profit after Gift Aid payment	-	-

	2018 £000	2017 £000
Net assets	31	31

15. Debtors

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Trade debtors	159	162	159	162
Other debtors	6	3	6	3
Prepayments and accrued income	161	166	161	166
	326	331	326	331

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

16. Creditors: Amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
Trade creditors	57	53	57	53
Other taxation and social security	53	58	51	56
Other creditors	11	14	11	14
Accruals and deferred income	178	197	177	196
	299	322	296	319

17. Financial instruments

	2018	2017
	£000	£000
Financial assets measured at amortised cost	1,560	1,495
Financial liabilities measured at amortised cost	186	322

Financial assets measured at amortised cost comprise cash at bank and in hand, trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors and accruals.

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2018 £000
Designated funds						
Legacy	22	-	-	-	-	22
Pensions Reserve	(975)	-	-	112	71	(792)
	<u>(953)</u>	<u>-</u>	<u>-</u>	<u>112</u>	<u>71</u>	<u>(770)</u>
General funds						
General Funds - all funds	1,200	5,483	(5,263)	(112)	-	1,308
Total Unrestricted funds	<u>247</u>	<u>5,483</u>	<u>(5,263)</u>	<u>-</u>	<u>71</u>	<u>538</u>
Restricted funds						
Working and learning opportunities	6	-	-	-	-	6
Workforce Development Fund	-	8	(21)	-	-	(13)
	<u>6</u>	<u>8</u>	<u>(21)</u>	<u>-</u>	<u>-</u>	<u>(7)</u>
Total of funds	<u>253</u>	<u>5,491</u>	<u>(5,284)</u>	<u>-</u>	<u>71</u>	<u>531</u>

Legacy - The trustees have set up a hardship fund for service users of Freeways who have found themselves in financial need that cannot be met from other sources. There is a formal application process to access the fund.

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

Workforce Development Fund - funding from the Department of Health and Social Care which is disbursed by Skills for Care. It supports the cost of qualifications and learning programmes together with the cost of acquiring these qualifications including those not yet completed and reimbursed.

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2017 £000
Designated funds						
Legacy	24	-	(2)	-	-	22
Pensions Reserve	(422)	-	-	115	(668)	(975)
General funds						
General Funds - all funds	1,217	5,497	(5,399)	(115)	-	1,200
Total Unrestricted funds	819	5,497	(5,401)	-	(668)	247
Restricted funds						
Working and learning opportunities	6	-	-	-	-	6
Total of funds	825	5,497	(5,401)	-	(668)	253

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	18	-	18
Current assets	1,598	6	1,604
Creditors due within one year	(286)	(13)	(299)
Provisions for liabilities and charges	(792)	-	(792)
	538	(7)	531

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000
Intangible fixed assets	16	-	16
Current assets	1,528	6	1,534
Creditors due within one year	(322)	-	(322)
Provisions for liabilities and charges	(975)	-	(975)
	<u>247</u>	<u>6</u>	<u>253</u>

20. Reconciliation of net movement in funds to net cash flow from operating activities

	Group	
	2018 £000	2017 £000
Net income/(expenditure) for the year (as per Statement of Financial Activities)	278	(572)
Adjustment for:		
Amortisation and depreciation charge	17	15
Dividends, interest and rents from investments	(1)	(1)
(gains)/losses on defined benefit pension scheme	(71)	668
Income on defined benefit pension scheme	(112)	(115)
Decrease in debtors	5	126
Decrease in creditors	(23)	(156)
Net cash provided by/(used in) operating activities	<u>93</u>	<u>(35)</u>

21. Analysis of cash and cash equivalents

	Group	
	2018 £000	2017 £000
Cash in hand	1,278	1,203
Total	<u>1,278</u>	<u>1,203</u>

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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 £24k (2017: £31k).

The group operated a Defined Benefit Pension Scheme. The assets of the Scheme are held in a separate trustee administered fund. The Scheme is closed to future accrual. A schedule of contributions is agreed between the Company and the trustees after each comprehensive actuarial valuation.

The most recent comprehensive actuarial valuation took place as at 31 March 2015. Under the current schedule of contributions, the Company shall pay contributions of £128k per annum until 31 December 2024. The Company shall also pay the expenses of administering the Scheme.

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

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

	2018	2017
Discount rate at 31 March	2.60 %	2.50 %
Rate of price inflation (RPI)	3.50 %	3.60 %
Rate of increase for pensions in deferment	2.50 %	2.60 %
Rate of pension increases: pensions from 6 April 1997 to 31 March 2001	3.80 %	3.80 %
Rate of pension increases: pension accrued from 1 April 2001	3.30 %	3.40 %

The assets in the scheme and the expected rates of return were:

	Fair value at 31 March 2018 £000	Fair value at 31 March 2017 £000
Equities and Hedge funds/Absolute return	2,671	2,717
Commodities	110	91
Fixed interest	941	880
Cash	165	140
Annuities	75	82
Total market value of assets	3,962	3,910

The actual return on scheme assets was £23k (2017 - £399k).

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

22. Pension commitments (continued)

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

	2018 £000	2017 £000
Interest on obligation	(121)	(139)
Expected return on scheme assets	98	126
	<hr/>	<hr/>
Total	(23)	(13)
	<hr/>	<hr/>
Actual return on scheme assets	23	399
	<hr/>	<hr/>

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

	2018 £000	2017 £000
Opening defined benefit obligation	4,885	3,895
Interest cost	121	139
Benefits paid	(106)	(90)
Actuarial (gain)/loss	(146)	941
	<hr/>	<hr/>
Closing defined benefit obligation	4,754	4,885
	<hr/>	<hr/>

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

	2018 £000	2017 £000
Opening fair value of scheme assets	3,910	3,473
Interest income on scheme assets	98	126
Return less interest income on scheme assets	(75)	273
Contributions by employer	135	128
Benefits paid	(106)	(90)
	<hr/>	<hr/>
	3,962	3,910
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Consolidated Statement of Total Recognised Gains and Losses was £2,300k losses (2017 - £2,371k losses).

The group expects to contribute £128k to its Defined Benefit Pension Scheme in the year to 31 March 2019.

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

22. Pension commitments (continued)

The mortality assumptions as at 31 March 2018 were before and after retirement 100% of S2PMA and S2PFA mortality tables with improvements in line with the CMI_2017 Core improvements with a long term improvement rate of 1% per annum.

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

Defined benefit pension schemes

	2018 £000	2017 £000	2016 £000	2015 £000	2014 £000
Defined benefit obligation	(4,754)	(4,885)	(3,895)	(4,285)	(3,536)
Scheme assets	3,962	3,910	3,473	3,632	3,240
Deficit	<u>(792)</u>	<u>(975)</u>	<u>(422)</u>	<u>(653)</u>	<u>(296)</u>

	2017 £000	2016 £000
Total amount recognised in other comprehensive income		
Return less interest income on scheme assets	(75)	273
Actuarial Gain(loss) on liabilities	146	(941)
Sub total	<u>71</u>	<u>(668)</u>

23. Operating lease commitments

At 31 March 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group and charity	2018 £000	2017 £000
Amounts payable:		
Within 1 year	18	26
Between 1 and 5 years	11	8
Total	<u>29</u>	<u>34</u>

24. 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 £475k (2017: £492k) to Freeways Trust in the year ended 31 March 2018. Freeways Trust paid £9k (2017: £8k) to Freeways in respect of management charges. At the year end Freeways owed Freeways Trust £28k (2016: £24k) and was owed £4k (2017: £Nil) by Freeways Trust.