

Registered Charity Number: 1102216

## **Freeways Trust**

Registered number: 5026647

### **Trustees' report and financial statements**

**For the year ended 31 March 2021**

**FREEWAYS TRUST**  
**(A Company Limited by Guarantee)**

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**FREEWAYS TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS**  
***FOR THE YEAR ENDED MARCH 2021***

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<b>Trustees</b>	F S Morton C C Britton Dr L B Cooke P J Laszlo Mrs D Y Pincott B E Sawyer Mrs A Heaton (resigned 4 February 2021) N J Morgan (appointed 14 June 2021)
<b>Company registered number</b>	05026647  1102216
<b>Registered office</b>	Leigh Court Day Centre Pill Road Abbots Leigh Bristol BS8 3RA
<b>Company secretary</b>	David Slack
<b>Independent auditors</b>	Mazars LLP Chartered Accountants 90 Victoria Street Bristol BS1 6DP
<b>Bankers</b>	Barclays Bank Plc 86 Queens Road Clifton Bristol BS8 1RB
<b>Solicitors</b>	Burges Salmon LLP One Glass Wharf Bristol BS2 0ZX

**REPORT OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED MARCH 2021**

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The Trustees (who are also the directors of the charity for the purpose of the Companies Act) present their annual report together with the audited financial statements of Freeways Trust (the charity) for the year ended 31 March 2021. 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 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).

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

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

The Trustees ensure that this purpose is carried out for the public benefit by delivering the provision of high quality properties to Freeways (Charity no. 298603 - a charity undertaking to provide direct support to adults with learning disabilities) for use as facilities for residential homes, supported living properties or as day care and therapeutic facilities for people with learning disabilities; and also directly to adult with learning disabilities for supported living.

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

**Structure, Governance and Management**

Freeways Trust is a company limited by guarantee (Registered no. 5026647) registered in England and Wales and a registered charity (Registered no. 1102216). 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.

Freeways Trust was established in December 1987 under a deed of trust as a registered charity. From 1 April 2004 the activities of the charity were incorporated. 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 Trustees have delegated day to day finance management of the charity to the Company Secretary. In addition, the Trustees have appointed a Strategic Estates Manager to lead the preparation and implementation of an estates strategy and also report on the performance of the charity against strategic plans set and agreed by the Trustees. The Trustees meet bi-monthly.

During the year, two new Trustees were invited to join the Freeways Trust Board with one being appointed during the year and one post year-end. New Trustees invited to join the Board are selected on the basis of their experience and skills. Due to the COVID-19 pandemic, visits to a number of homes could not be arranged in the usual manner, but the induction process was carried out virtually instead.

**REPORT OF THE BOARD OF TRUSTEES (continued)**  
**FOR THE YEAR ENDED MARCH 2021**

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Trustees are encouraged to attend appropriate external training events where these would facilitate the understanding of their role.

A separate charity, Freeways (Charity no. 298603), mainly has common Trustees to Freeways Trust, but is not under common control and both organisations have similar charitable objects.

None of the 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 is disclosed in the same way as any other contractual relationship with a related party.

**Risk Management**

The Board of Trustees has reviewed during the year an assessment of the risks to which the charity is exposed. The review looked at the key risks around Freeways Trust's ability to deliver its strategy. The review identified that additional risks in relation to COVID-19 existed for the organisation during the year and concluded that the control environment continues to be sufficiently robust.

Risks are identified against four key areas as follows: governance, property management, financial management and external factors. The most significant risks facing the charity identified during the current year relate to external factors including the COVID-19 infection risk as maintenance staff travel between multiple sites.

**Key Management Personnel remuneration**

The Trustees consider the Board of Trustees, the Company Secretary and the Strategic Estate Manager Manager 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 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 expenditure and related party transactions are disclosed in note 17 of the financial statements.

The pay of the Company Secretary and Strategic Estate Manager is reviewed annually and can be increased in accordance with average earnings. In view of the nature of the charity, the Trustees' benchmark against pay levels in other charities of a similar size and also take into account sector experience. The remuneration bench-mark is the mid-point of the range paid for similar roles.

**Activities in the year**

**Strategic Estate Programme**

The Estate Strategy for Freeways Trust was agreed in November 2018 and work carried out during 2020-21 has been performed in line with this plan. Buidling work started in July 2020 in relation to the conversion of Morley House to six one bedroom supported living flats, one of which is an accessible and adapted flat and was completed post year-end. Discussions have been held with Bristol City Council about the re-development potential for both Whites and Underhay Houses, but no final decision has

**REPORT OF THE BOARD OF TRUSTEES (continued)**  
***FOR THE YEAR ENDED MARCH 2021***

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made as yet in relation to either property.

**Provision of care facilities**

During the year, Freeways Trust leased 16 properties (including the head office and day centre), geographically spread over Bristol, North Somerset, South Gloucestershire and Bath & North East Somerset. The residential homes are leased to Freeways for its operations in delivering services to adults with learning disabilities. Supported living accommodation is leased to individual tenants. The 7 registered residential homes can accommodate 74 persons and the 8 supported living properties can accommodate 45 persons.

**Repairs and maintenance**

The Charity is committed to improving the standard of all existing properties, but the cyclical repairs and maintenance programme was affected by COVID-19 and therefore the majority of the works carried out during the year were reactive, rather than planned maintenance. All works carried out continued to enable Freeways to operate within properties suitably adapted for adults with learning disabilities and provided Freeways service users with properties that they enjoyed living within.

**Capital projects**

The building works in relation to Morley House were started in July 2020 and completed in May 2021 ahead of the original target completion date of summer 2021. No other capital projects were undertaken during the year due to COVID-19, but the Charity continues to seek suitable properties and land for purchase in order to progress the Strategic Estate Programme.

**Investment policy**

The funds available to Freeways Trust are intended for the purchase of new or improvement in existing properties so Trustees do not consider it prudent to invest monies on a long term basis. The policy is to invest surplus cash in short term deposits from one week to twelve months. The plan to diversify where these funds are held was delayed due to low interest rates during the year and no short term deposit opportunities being available to the Trust.

**Reserves policy**

The current policy is to continue to build cash reserves in order to finance future development projects which are part of the Strategic Estate Programme. In 2019 the Trustees designated £3,250,000 to fund the Strategic Estate Programme over the next 7 to 10 years and at 31 March 2021, this fund was £2,502,251 (2020: £3,250,000). At 31 March 2021 the general reserves were £9,412,532 (2020: £8,117,527) and restricted reserves were £473,760 (2020: £483,630). The total free reserves were £995,135. The Trustees will continue to review the policy on a regular basis and amend it accordingly dependent on strategic plans and key risks to which the charity is exposed.

**REPORT OF THE BOARD OF TRUSTEES (continued)**  
**FOR THE YEAR ENDED MARCH 2021**

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**Plans for 2021-22 and beyond**

The Charity plans to continue activities in line with its objects and the estate strategy. Existing properties in use will continue to be maintained in line with the repairs and maintenance programme.

**Financial Review**

A surplus of £547,256 was generated on unrestricted funds in 2020-21 (2019-20: £215,649). In addition a deficit of £(9,870) was generated on restricted funds in 2020-21 (2019-20: deficit £(9,870)) arising from depreciation charged on the asset part funded by the grant received from NHS England in the previous year.

**COVID-19**

During the year, and due to the pandemic measures in place, it was not possible for Freeways Trust to carry out all of the planned repairs and maintenance work during the year. However, as reactive repairs and maintenance works were possible, no staff had to be furloughed. A little over 50% of the charity's income is the rent received from Freeways, which is funded by local authorities, who continue to require that services are provided and have provided increased funding and grants to cover additional costs incurred due to the pandemic. There has been an impact on the trading activities relating to the Hydrotherapy pool which was closed for 4 months in 2020, but there are no longer-term issues anticipated. In consideration of this position and the level of reserves held by the charity, no significant risk to the long-term viability of the charity has been identified.

**Trustees responsibilities statement**

The Trustees (who are also directors of Freeways Trust for the purpose of the 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 company will continue in operation.

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

**REPORT OF THE BOARD OF TRUSTEES (continued)**  
**FOR THE YEAR ENDED MARCH 2021**

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**Provision 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 Charity's auditors are unaware, and
- each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charity's auditors in connection with preparing their report and to establish that the 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.

This report was approved by the Trustees on Aug 9, 2021 and signed on their behalf by:

*F s morton*

[F s morton \(Aug 9, 2021 10:53 GMT+1\)](#)

F S Morton  
Chair



**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF FREEWAYS TRUST**  
**FOR THE YEAR ENDED MARCH 2021**

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**Opinion**

We have audited the financial statements of Freeways Trust (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charity's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Trustees' annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF FREEWAYS TRUST**  
**FOR THE YEAR ENDED MARCH 2021**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 has 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

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF FREEWAYS TRUST**  
**FOR THE YEAR ENDED MARCH 2021**

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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 relating to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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 misstatements, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of Freeways Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the Trustees' and managements' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were relating to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF FREEWAYS TRUST**  
**FOR THE YEAR ENDED MARCH 2021**

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- team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://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 company'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 company'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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed: 

Name:

Jonathan Marchant (Senior Statutory Auditor) for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
90 Victoria Street, Bristol BS1 6 DP

Date: Aug 10, 2021

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 MARCH 2021 (incorporating the Income & Expenditure Account)**

		Unrestricted funds 2021 £	Restricted fund 2021 £	Total funds 2021 £	Total funds 2020 £
Income	Note				
Donations and Grants	2	5,153	-	5,153	-
Income from charitable activities	3	873,474	-	873,474	857,590
Other trading activities		26,682	-	26,682	12,714
Investment income		196	-	196	20,319
<b>Total Income</b>		<b>905,505</b>	<b>-</b>	<b>905,505</b>	<b>890,623</b>
Expenditure on charitable activities	4	636,119	9,870	645,989	684,844
<b>Total Expenditure</b>		<b>636,119</b>	<b>9,870</b>	<b>645,989</b>	<b>684,844</b>
<b>Net income before investment gains/(losses)</b>		<b>269,386</b>	<b>(9,870)</b>	<b>259,516</b>	<b>205,779</b>
Net gains on investments	9	293,470	-	293,470	-
<b>Net income for the year and net movement in funds</b>		<b>562,856</b>	<b>(9,870)</b>	<b>552,986</b>	<b>205,779</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		11,367,527	483,630	11,851,157	11,645,378
<b>Total funds carried forward</b>		<b>11,930,383</b>	<b>473,760</b>	<b>12,404,143</b>	<b>11,851,157</b>

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

All activities relate to continuing operations.

The notes on pages 14 to 25 form part of these financial statements.

**FREEWAYS TRUST**  
(A Company Limited by Guarantee)

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**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Tangible assets	8		8,563,451		8,087,858
Investment Properties	9		<u>337,500</u>		<u>-</u>
			8,900,951		8,087,858
<b>Current assets</b>					
Debtors	10	61,739		49,216	
Cash at bank		<u>3,497,386</u>		<u>3,762,356</u>	
		3,559,125		3,811,572	
<b>Creditors: amounts falling due within one year</b>					
	11	<u>(55,933)</u>		<u>(48,273)</u>	
<b>Net current assets</b>			<u>3,503,192</u>		<u>3,763,299</u>
<b>Net assets</b>			<u>12,404,143</u>		<u>11,851,157</u>
<b>Funds</b>	12				
Restricted fund			473,760		483,630
Unrestricted funds			<u>11,930,383</u>		<u>11,367,527</u>
			<u>12,404,143</u>		<u>11,851,157</u>

The financial statements were approved by the Trustees on Aug 9, 2021 and signed on their behalf by:

*F s morton*  
F s morton (Aug 9, 2021 10:53 GMT+1)

F S Morton  
Chair

*P.J.Laszlo*  
P.J.Laszlo (Aug 9, 2021 14:35 GMT+1)

P J Laszlo  
Trustee

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	<b>Note</b>	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Net cash flow from operating activities	<b>14</b>	467,791	359,170
Cash flows from investing activities			
Interest received		196	20,319
Purchase of tangible fixed assets		(776,987)	(249,535)
Transfer of tangible fixed assets to investment properties		44,030	-
Cash (used in) investing activities		<u>(732,761)</u>	<u>(229,216)</u>
Increase in cash and cash equivalents in the year		<u>(264,970)</u>	<u>129,954</u>
Cash and cash equivalents at the beginning of the year		3,762,356	3,632,402
Total cash and cash equivalents at the end of the year		3,497,386	3,762,356

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 2021**

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**1. Accounting Policies**

The accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**a. General information**

Freeways Trust is a private company limited by guarantee, incorporated in England and Wales, with the registered company number 5026647 and the registered charity number 1102216. The charity's registered office is Leigh Court Day Centre, Pill Road, Abbots Leigh, Bristol, BS8 3RA.

**b. Statement of compliance**

The individual financial statements of Freeways Trust have been prepared in accordance with Financial Reporting Standard 102 and Companies Act 2006.

**c. 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 the Republic of Ireland (FRS 102) and the Companies Act 2006.

No significant judgements have had to be made by management in preparing these financial statements.

Freeways Trust 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 note(s).

**d. Preparation of the accounts on a going concern basis**

The trustees consider that there are no material uncertainties about Freeway Trust's ability to continue as a going concern based on the ongoing cashflows of the charity. Rental payments continue to be received from both Freeways and for tenants in support living accommodation.

**e. Fund accounting**

General funds are unrestricted funds available for use at the discretion of the trustees in the furtherance of the charitable objectives of Freeways Trust and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside for particular purposes. The restricted funds is to be used in accordance with the specific restrictions imposed by the donor. The aim and use of each designated and restricted fund is set out in the notes to the financial statements.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 2021**

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**1. Accounting Policies (continued)**

**f. Income**

All income is accounted for as soon as Freeways Trust has entitlement to the income, it is probable that the income will be received and the amount can be measured reliably. Rental income is accounted for in the year to which it applies. Rental income received during a year which relates to a subsequent financial accounting period is carried forward as a creditor on the balance sheet and shown as deferred rental income.

**g. Expenditure and irrecoverable VAT**

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, depreciation and repairs and maintenance costs are allocated on an actual basis to the activity.

Support costs consist of governance costs only.

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

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

**h. Tangible fixed assets and depreciation**

In accordance with FRS 102 Section 16.3A any property held primarily for the provision of social benefit shall not be classed as investment property and shall be accounted for as property, plant or machinery.

Freeways Trust has elected not to adopt a policy of revaluation of its property, plant or machinery. Accordingly, it has retained the book value of land and buildings previously revalued at March 1999 and will not update that valuation. Properties acquired in years subsequent to the valuation are included at their purchase cost, together with any incidental costs of acquisition. Since April 2018 investment in property improvement, refurbishment and new building have been capitalised at cost to their major components and each component depreciated over its useful life.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 2021**

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**1. Accounting Policies (continued)**

**h. Tangible fixed assets and depreciation (continued)**

Property, plant or machinery (costing £10,000 or more per individual item) are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the asset, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	50 years
Property components	7 to 25 years
Other equipment	5 to 10 years

**i. Investments and Investment Properties**

Investments are stated at fair market value at the balance sheet date in accordance with the SORP. Realised and unrealised gains are included in the Statement of Financial Activities.

Investment properties are properties which are held either to earn rental income or held for capital appreciation or for both. They are held at fair value in accordance with the SORP and are revalued every 5 years by an experienced independent valuer. Realised and unrealised gains and losses are included in the Statement of Financial Activities.

**j. Debtors**

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

**k. Cash at bank and in hand**

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

**l. Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligations can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**m. Financial instruments**

The Trust 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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 2021**

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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. Donations and Grants**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted fund 2021 £</b>	<b>Total funds 2021 £</b>
Donations	5,153	-	5,153
	<u>5,153</u>	<u>-</u>	<u>5,153</u>

	<b>Unrestricted funds 2020 £</b>	<b>Restricted fund 2020 £</b>	<b>Total funds 2020 £</b>
Donations	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

**3. Income from charitable activities**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted fund 2021 £</b>	<b>Total funds 2021 £</b>
Rental income from Freeways	467,602	-	467,602
Rental income from supported living properties	405,872	-	405,872
	<u>873,474</u>	<u>-</u>	<u>873,474</u>

	<b>Unrestricted funds 2020 £</b>	<b>Restricted fund 2020 £</b>	<b>Total funds 2020 £</b>
Rental income from Freeways	501,936	-	501,936
Rental income from supported living	355,654	-	355,654
	<u>857,590</u>	<u>-</u>	<u>857,590</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. a. Charitable activities - provision of care services**

	Unrestricted funds 2021 £	Restricted fund 2021 £	Total funds 2021 £
Repairs and Maintenance	159,859	-	159,859
Legal and Professional Fees	22,277	-	22,277
Management Charge	7,339	-	7,339
Other Property Expenses	84,425	-	84,425
Staff costs	101,272	-	101,272
Depreciation	247,493	9,870	257,363
	<u>622,665</u>	<u>9,870</u>	<u>632,535</u>

	Unrestricted funds 2020 £	Restricted fund 2020 £	Total funds 2020 £
Repairs and Maintenance	194,601	-	194,601
Legal and Professional Fees	30,575	-	30,575
Management Charge	7,137	-	7,137
Other Property Expenses	89,295	-	89,295
Staff costs	99,728	-	99,728
Depreciation	241,928	9,870	251,798
	<u>663,264</u>	<u>9,870</u>	<u>673,134</u>

**b. Governance costs**

	Unrestricted funds 2021 £	Restricted fund 2021 £	Total funds 2021 £
Auditors' remuneration	5,150	-	5,150
Trustees' insurance	5,159	-	5,159
Management charge	3,145	-	3,145
	<u>13,454</u>	<u>-</u>	<u>13,454</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 2021**

**4. (continued)**

**b. Governance costs**

	Unrestricted funds 2020 £	Restricted fund 2020 £	Total funds 2020 £
Auditors' remuneration	4,200	-	4,200
Trustees' insurance	4,452	-	4,452
Management charge	3,058	-	3,058
	<u>11,710</u>	<u>-</u>	<u>11,710</u>

**5. Total resources expended**

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total 2021 £	Total 2020 £
Provision of care facilities	101,272	257,363	273,900	632,535	673,134
Governance	-	-	13,454	13,454	11,710
	<u>101,272</u>	<u>257,363</u>	<u>287,354</u>	<u>645,989</u>	<u>684,844</u>

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total 2020 £	Total 2019 £
Provision of care facilities	99,728	251,798	321,608	673,134	581,827
Governance	-	-	11,710	11,710	10,838
	<u>99,728</u>	<u>251,798</u>	<u>333,318</u>	<u>684,844</u>	<u>592,665</u>

**6. Net income for the year**

	2021 £	2020 £
This is stated after charging:		
Depreciation of tangible fixed assets owned by the charity	257,363	251,798
Auditor' remuneration	<u>5,150</u>	<u>4,200</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 2021**

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**7. Staff costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Staff costs were as follows:		
Wages and salaries	87,011	90,600
Other pension costs	2,151	1,723
Social security costs	12,110	7,405
	<u>101,272</u>	<u>99,728</u>

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
The average monthly number of employees during the year was as follows:		
Administration	3	3
Maintenance	1	1
	<u>4</u>	<u>4</u>

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

The key management personnel comprise the Trustees, the Company Secretary and the Strategic Estates Manager. The total employee benefits of the key management personnel of the charity was £54,026 (2020: £50,039). Some of these costs are included within the management charge see Note 4b above.

The Trustees did not receive any emoluments from the charity in the current or prior year nor did they receive any reimbursement of their expenses on behalf of the charity. During the year Indemnity Insurance was purchased at a cost of £5,159 (2020 : £4,452) to cover Trustees, directors and employees.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 2021**

<b>8. Tangible fixed assets</b>	<b>Freehold Property £</b>	<b>Other Equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2020	11,577,683	37,200	<b>11,614,883</b>
Additions	776,987	-	<b>776,987</b>
Transfers to Investment Properties	(44,030)		<b>(44,030)</b>
At 31 March 2021	<u>12,310,640</u>	<u>37,200</u>	<u><b>12,347,840</b></u>
<b>Depreciation</b>			
At 1 April 2020	3,499,125	27,900	<b>3,527,025</b>
Charge for the year	251,164	6,200	<b>257,364</b>
At 31 March 2021	<u>3,750,289</u>	<u>34,100</u>	<u><b>3,784,389</b></u>
<b>Net book value</b>			
At 31 March 2020	8,078,558	9,300	<b>8,087,858</b>
At 31 March 2021	<u><b>8,560,351</b></u>	<u><b>3,100</b></u>	<u><b>8,563,451</b></u>

Within Freehold Property there were no additions in the year to 31 March 2021 funded by the restricted fund (2020: nil).

There was a depreciation charge of £9,870 to the restricted fund in the year (2020: £9,870) and a net book value of £483,630 at 31 March 2021 (2020: £483,630). This relates to the charge held by NHS England over a freehold property.

The tangible fixed assets are all used to support Freeways Trust activities.

<b>9. Investment Properties</b>	<b>2021 £</b>	<b>2020 £</b>
Value at start of period	-	-
Transfer in the year at cost	44,030	-
Change in fair value in the year	293,470	-
<b>Fair value at end of year</b>	<u><b>337,500</b></u>	<u><b>-</b></u>

During the year, Freeways Trust decided to reclassify the land owned at Leigh Court as an investment property, rather than as a freehold property within Fixed Assets. The fair value of the land is based on the independent valuation carried out by David James & Partners in June 2019.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 2021**

**10. Debtors**

	2021	2020
	£	£
Accrued income and Prepayments	61,739	49,216
	<u>61,739</u>	<u>49,216</u>

Debtors within the restricted fund are nil at 31 March 2021 (2020: nil)

**11. Creditors**

**Creditors: Amounts falling due within one year**

	2021	2020
	£	£
Social security and taxes	2,856	2,770
Trade creditors	23,863	37,117
Accruals and deferred income	29,214	8,386
	<u>55,933</u>	<u>48,273</u>

Creditors within the restricted fund are nil at 31 March 2021 (2020: nil)

Deferred income for 2021 was £1,070 (2020: £888). The amounts deferred at 31 March 2021 will be recognised in the 2021/22 financial year. Deferred income relates to rental income received in advance.

**12. Statement of funds - current year**

	Balance at 1 April 2020	Income	Expenditure	Gains and Losses	Transfers in/out	Balance at 31 March 2021
	£	£	£	£	£	£
<b>Designated fund</b>						
Strategic estate programme	3,250,000	-	-		(747,749)	2,502,251
<b>General fund</b>	8,117,527	905,505	(636,119)	293,470	747,749	9,428,132
	<u>11,367,527</u>	<u>905,505</u>	<u>(636,119)</u>	<u>293,470</u>	<u>-</u>	<u>11,930,383</u>
Total unrestricted funds						
<b>Restricted Fund</b>						
NHS Grant	483,630	-	(9,870)	-	-	473,760
Total of funds	<u>11,851,157</u>	<u>905,505</u>	<u>(645,989)</u>	<u>293,470</u>	<u>-</u>	<u>12,404,143</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 2021**

**12. (continued)**

**Strategic Estate Programme** - The trustees have designated funds to implement the programme of estate improvements and replacements planned to take place over the next 7 to 10 years

**NHS Grant** - a capital grant from NHS England for use in providing supported living accommodation for people with learning disability

**Statement of funds - prior year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains and Losses £	Transfers in/out £	Balance at 31 March 2020 £
<b>Designated fund</b>						
Strategic estate programme	3,250,000	-	-	-	-	<b>3,250,000</b>
<b>General fund</b>	7,901,878	890,623	(674,974)	-	-	<b>8,117,527</b>
	11,151,878	890,623	(674,974)	-	-	<b>11,367,527</b>
Total unrestricted funds						
<b>Restricted Fund</b>						
NHS Grant	493,500	-	(9,870)	-	-	<b>483,630</b>
Total of funds	<u>11,645,378</u>	<u>890,623</u>	<u>(684,844)</u>	<u>-</u>	<u>-</u>	<u><b>11,851,157</b></u>

**13. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2021 £	Restricted fund 2021 £	Total funds 2021 £
Tangible fixed assets	8,089,691	473,760	8,563,451
Investments	337,500	-	337,500
Current assets	3,559,125	-	3,559,125
Creditors due within one year	(55,933)	-	(55,933)
	<u>11,930,383</u>	<u>473,760</u>	<u>12,404,143</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 2021**

**13. (continued)**

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted fund 2020 £</b>	<b>Total funds 2020 £</b>
Tangible fixed assets	7,604,228	483,630	8,087,858
Current assets	3,811,572	-	3,811,572
Creditors due within one year	(48,273)	-	(48,273)
	<u>11,367,527</u>	<u>483,630</u>	<u>11,851,157</u>

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

	<b>2021 £</b>	<b>2020 £</b>
Net movement in funds	552,986	<b>205,779</b>
Add back depreciation charge	257,364	<b>251,798</b>
Less interest received	(196)	<b>(20,319)</b>
(Increase) in investments	(337,500)	-
(Increase) in debtors	(12,523)	<b>(2,989)</b>
(Decrease) in creditors	7,660	<b>(75,099)</b>
Net cash used in operating activities	<u>467,791</u>	<u><b>359,170</b></u>

**15. Contingent Liability**

There is a contingent liability in respect of the capital grant of £493,500 from NHS England to provide accommodation for people with learning disability. Should Freeways Trust cease to provide this accommodation or an agreed alternative then the grant would be repayable based on the then current value of the property and the original proportion funded by the grant.

**16. Other commitments**

At 31 March 2021 the charity had vehicle lease commitments as follows.

	<b>2021 £</b>	<b>2020 £</b>
Less than 1 year	3,089	<b>3,089</b>
2 - 5 years	-	-
Over 5 years	-	-
	<u>3,089</u>	<u><b>3,089</b></u>

In March 2021, the vehicle lease was extended by a further 12 months.

**NOTES TO THE FINANCIAL STATEMENTS**  
***FOR THE YEAR ENDED MARCH 2021***

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**17. Related party transactions**

The majority of the Trustees are also the Trustees of Freeways, a charitable company that provides residential, supported living and day care services for persons with learning disabilities. Freeways leases some of the charity's properties and paid £467,602 (2020 - £501,936) to the charity in the year ended 31 March 2021.

Freeways Trust paid £10,484 (2020: £10,195) to Freeways and received £38,570 (2020: £25,200) in respect of management charges during the year. At the year end Freeways Trust owed £2,623 to Freeways (2020: £2,742) included within trade creditors.