

Registered number: 02209114  
Charity number: 298603

**FREEWAYS**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2021**

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<b>Trustees</b>	C C Britton, Non-executive A M Heaton, Non-executive L B Cooke, Non-executive P J Laszlo, Non-executive F S Morton, Chair, Non-executive D Y Pincott, Non-executive M S Barnett, Non-executive (appointed 14 June 2021)
<b>Company registered number</b>	02209114
<b>Charity registered number</b>	298603
<b>Registered office</b>	Leigh Court Day Centre Pill Road Abbots Leigh Bristol BS8 3RA
<b>Company secretary</b>	D G Slack
<b>Chief executive officer</b>	Claire Hayward
<b>Independent auditor</b>	Mazars LLP Chartered Accountants 90 Victoria Street Bristol BS1 6DP
<b>Bankers</b>	Barclays Bank plc 86 Queens Road Clifton Bristol BS8 1RB  National Westminster Bank Plc 13 High Street Westbury-on-Trym Bristol BS9 3BF
<b>Solicitors</b>	Burges Salmon LLP One Glass Wharf Bristol BS2 0ZX

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### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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The Trustees present their annual report together with the audited financial statements of the charity for the year 1 April 2020 to 31 March 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company'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 (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015) and Update Bulletin 2 (effective 1 January 2019).

Since the group and the charity qualify as small under section 383 of the Companies Act 2006, the Group Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

#### **Objectives and activities**

The objects of the charity, set out in the memorandum of association, can be summarised as

To support adults with a learning disability for the public benefit.

Freeways undertakes this by supporting individuals in residential homes, in supported living services, day services, the community and with the use of the hydrotherapy pool. The following paragraphs outline the activities and achievements that deliver those objects.

The Freeways' Vision Statement is "A Provider of Choice", this is the defining statement which outlines its intent, and its Mission Statement, "Quality, Wellbeing and Evolution", indicates the methodology by which it chooses to conduct its business.

Underpinning these statements are six organisational 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**

##### **Main achievements of the charity**

##### **Wellbeing**

In the last year the wellbeing of the people we support and our staff has been paramount due to the impact of the global pandemic caused by Covid-19.

Staff have worked tirelessly to ensure that our service users understood why the support they receive had been required to change and the new risks they needed to be aware of to enable them, where possible, to make informed decisions about how to stay safe.

The teams showed endless creativity to help people through the requirements of shielding and lockdown to ensure that their mental health was supported through engagement in many enjoyable activities.

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### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Achievements and performance (continued)**

Services worked together and embraced new technology to ensure people could maintain relationships and key dates in their calendars could continue to be special even if they could not celebrate as they had done for many years previously.

Some of the ways people embraced technology included:

- Using their Smart TVs to access YouTube to understand the changing rules, learn about new and interesting topics and provoke discussion
- Using the "Hear Me Now" app to help the people we support be in control of their health appointment and to share information about their health, how they communicate and how professionals can support them well
- Using Zoom and other platforms to stay in contact with their families and friends. We had our Open Day awards ceremony on line including a sing-a-long and quizzes

In the first lockdown the services had competitions between each other to re-create a piece of art, make a video for a song and make a scarecrow for all the new vegetable gardens that people started.

Our services went above and beyond normal to support people in their community.

Due to a number of other local services closing due to the pandemic, our floating support community service in B&NES supported individuals deemed high risk by the local authority beyond their normal contract, to access basic support such as food vouchers.

Some of the people we support had employment pre-pandemic as key workers, for example in supermarkets, and these people had to continue going to work. Staff supported them to understand the new rules that they needed to follow to stay safe in the community and in work.

A number of our services did have cases of Covid-19 over the last year and unfortunately two individuals died 10 months apart. One in June 2020 and another in April 2021 both with Covid-19 stated on their death certificates; both individuals had lived in care homes within Freeways for a number of years, one since Freeways started as a charity, and both will be missed by everyone who knew them.

Fortunately staff in health and social care were one of the priority groups for the Covid-19 vaccinations with most staff being able to access these by January 2021.

Most of our residential care home residents were also able to access vaccines by this time with other clients and non-care staff slightly later in the year.

In addition to the existing policies and schemes a number of new initiatives were introduced by the Human Resources team in conjunction with our Wellbeing Group, which is formed from staff with a particular interest in this area. The key existing actions included:

- Employee Assistance Program with a 24/7 help line and active referrals for counselling due to stress
- Reasonable Adjustments and Stress Risk Assessments
- Campaigns throughout the year to support wellbeing
- Newsletters from Health Assured covering a variety of topics

Some of the new initiatives put in place to support staff included:

- Mental Health Awareness Training which received really good feedback
- Using a Wellness Action Plan created by the charity Mind
- Staff Wellbeing Checklists
- Wellbeing Gift to all staff to promote self-care

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### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Achievements and performance (continued)**

The Chair of Trustees also attended our Staff Representatives Group to thank them for all their hard work and to hear how they were feeling. This led to the Trustees authorising an additional discretionary payment to all staff as they recognised they had gone above and beyond, working with additional stresses to ensure the people we support remained safe and well.

It is also recognised that this was a particularly stressful time for families who could not visit the services as much as they would have liked. For this reason the organisation sent regular updates to families making them aware of legislation, guidance and other information to help them remain confident in the care we were providing. There were many family members who got in touch thanking the staff for keeping their relative safe and appreciating the regular communication.

Due to the pandemic, some of our services had to change the way they worked or close for a period. This included our hydrotherapy pool and most of the staff in that service were furloughed for part of the year. In addition we had a number of staff who for health, or other significant personal reasons, were required to be furloughed. Significant work was undertaken to ensure these individuals were supported during this stressful time and, when the time was right, given the support to successfully return to work.

Many services, including the hydrotherapy pool and community services were required to look at safer systems of work and reduce capacity to ensure the people we support remained safe and the risk from harm remained as low as possible.

#### **Quality**

In the last year the Care Quality Commission (CQC) stopped visits except where there were significant concerns or larger outbreaks of Covid-19.

CQC visited one of our services after a larger outbreak and there were no concerns raised about the quality of care or infection control which was comforting to hear and a testament to the hard work by the manager and team.

One of our aims this year was to increase the number of key lines of enquiry rated as outstanding by CQC but due to the pandemic this was not possible because CQC stopped carrying out these assessments.

All our CQC registered services remain rated as Good overall.

Significant work was carried out by our senior management team and cascaded into the services to ensure Freeways remained compliant with the latest Government advice for Covid-19 and infection control. There were up to 6 different sets of guidance relating to the different services and functions within the charity. Whenever the guidance changed the different implications needed to be understood and implemented as quickly as possible.

Freeways worked closely with a local group of learning disability charities and businesses to ensure that support provided not only in Freeways but across the wider learning disability sector remained safe and at a high standard. This group was formed from the benchmarking group Freeways had set up to identify where it was doing well and where it could improve as there is little comparative data available.

Freeways continues to produce audits annually regarding Safeguarding, Medication Errors and Feedback and this year also completed a GDPR audit for Trustees to give them assurances around these key areas.

Although Covid-19 was the backdrop to the year there were still examples of wonderful achievements within the charity for whole services and individuals within those services. There are numerous examples but a selection is provided below:

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### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Achievements and performance (continued)**

##### **The Beach**

Freeways took over this service in February 2020 and over the last year have received a lot of positive feedback from the families of the people supported, the social workers and the staff regarding the change for the better. A number of individuals now need less support due to their increased independence achieved in a very short timeframe. One family member wrote "a weight has been lifted from our shoulders" and that they "now believe supported living can work". The manager has been shortlisted for internal and external awards due to the turnaround achieved in the service in such a short time.

##### **Supporting service user rights**

In the last year there have been barriers to completing what in any other year would be a simple task: as other agencies closed or put in extra measure to keep people safe, some areas of support became a great deal harder. Some of the numerous individual outcomes achieved are listed below:

- Team have been working to challenge decisions that impacted the people we support and supported individuals to challenge Department of Work and Pensions decisions which led to two individuals receiving back payments of benefits of almost £10,000 .
- Debt clearance of over £25,000 for another two individuals through joint working with Citizens Advice Bureau
- Accessing free fire safety equipment for individuals with a hearing loss living in the community
- Supporting an individual to understand the process for diagnosis and treatment of serious health concerns which required stays in hospital with no visitors. This is hard for anyone in the current pandemic but for someone with limited communication this took an extraordinary amount of joint work and planning.

##### **Achieving Outcomes**

Like so many people, the dreams of some of the people we support have needed to be put on hold this last year but some have been able to use the extra time to work towards achieving their chosen outcomes.

In the last year individuals have been supported to apply for voluntary and work experience opportunities.

Some individuals have been able to spend time raising money for others and one client raised money for a number of wildlife charities supported by the staff from North Somerset Community Team.

The service user group, Our Project, has continued to meet over Zoom and has started to discuss equality, diversity and inclusion. They had a learning event which was supported by Bristol Hate Crime service and they hope to use this learning to review Freeways' policy and guidance.

Staff undertook additional training in relation to infection control and most staff also undertook Restore 2 training which allows for staff to take and record basic health measurements. Although this was initially introduced to reduce the risk of undiagnosed Sepsis, it is also useful to measure oxygen levels in people with Covid-19 to ascertain if they need additional support from the health service.

Many of our staff also achieved their own personal outcomes over the year with six staff completing their diplomas at level 3 or 5 and some staff completing fundraising activities for the charity including a sponsored wild water swim to raise money for the hydrotherapy pool which raised over £500.

Freeways continues to support wider initiatives to ensure quality across the region including:

- Vice Chair of British Association of Supported Employment (BASE) and a director of Inclusive Training which is the social enterprise arm of the BASE
- Member of South Gloucestershire Safeguarding Adults Board
- Member of Keeping Bristol Safe Partnership
- Member of the Stop Adult Abuse Week Group arranging events across the Avon and Somerset Police Area including multi-agency staff conference

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Achievements and performance (continued)**

- Co-Chair of the Working Age Provider Forum in Bristol
- Provider Representative on the Learning Disability Provider Forum in Bristol

**Evolution**

Freeways has always been a creative organisation that has moved to find solutions for the people it supports and the last year has been no different.

A number of services have started to move towards supporting cashless solutions for the people we support. We have been working in conjunction with a specialist pre-payment card provider to trial its use in a number of services and the aim is to roll this out to other services. We have been asked by the local authority to feedback to them on this pilot so the learning can be cascaded to other learning disability services but also wider to the older person services where people need to retain money skills but with additional safeguards in place.

Freeways worked with North Somerset Council to transfer a community service from another provider who was pulling out of their contract. This led to a couple of staff transferring to Freeways through TUPE and joining our long-standing team in the area. The team have met a number of client outcomes including improvements to their home to meet their long term health needs, and another no longer requires additional support from a personal assistant. One family member, who was uncertain about the change in contract, has given feedback stating how her relative is more confident and the flexible approach from Freeways has improved her relative's independence.

**Positive Behaviour Support services**

Freeways have continued to expand their work and expertise in offering positive behaviour support for adults with learning disabilities demonstrating more challenging behaviours and now services are running on two separate sites supporting this client group. A barrier remains staff recruitment and Freeways are planning greater innovation in their recruitment processes over the next year to ensure these services continue to flourish.

**Morley House**

Freeways have been working with their main landlord, Freeways Trust, to convert this building from a residential care home to six supported living one bedroom flats. Three individuals within Freeways have been identified as suitable for the service and an implementation team are assessing a number of external referrals to see if they would benefit from the new service. The building was completed in May 2021 and the first three clients moved in at the end of May. It is expected that the service will be full by the end of August 2021.

This year we have been reviewing our Personal Care Registration to ensure our services remain fit for the future and our aim over the next year is to complete this review and register further managers to then be able to more easily grow our supported living services.

We also plan to introduce an Equality, Diversity and Inclusion Strategy this year which will look at positive action to reduce barriers for the people we support and our staff from reaching their potential.

During the last year a working group has been developing a Digital Strategy which was approved by the Trustees in May 2021. The Strategy will support clients and staff to make greater use of technology to improve outcomes for clients, working lives for staff and the effectiveness and efficiency of the organisation.



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### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Financial review**

##### **a. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

##### **b. 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 2021-22 budget and future plans. The policy continues to be set at building free reserves to at least two month's expenditure (currently £1,097k) to provide security against unexpected fluctuations in income and expenditure due to short term service vacancies, changes in commissioning plans, costs running higher than expected and the investment in developing new services.

Free reserves, excluding the pension reserve deficit at 31 March 2021 were £1,687k (2020 £1,293k) and there 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 the changes in circumstances.

The pension reserve deficit at 31 March 2021 of £220k (2019 £771k) 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 plans.

##### **c. Principal risks and uncertainties**

The Board of Trustees considers risk as an integral part of all strategic discussions. During the year Trustees have considered and assessed the risks to which the charity is exposed as part of their decision-making process.

##### **d. Financial review – Making Every Penny Count**

The funding environment continues to be difficult for social care but we have worked hard to ensure that we receive the correct level of funding for the work undertaken and minimise expenditure whilst maintaining good quality care.

Total incoming resources for the year were up 17% compared to the previous year (£7,130k compared to £6,091k) due to a 10% increase in income from charitable activities and government grants of £481k. This reflects additional activity within a number of services and government grants in relation to Covid-19.

Expenditure on charitable activities rose by 8% (£6,584k compared to £6,049k) due to additional expenditure relating to Covid-19 mainly funded through government grants. Additional expenditure was incurred on infection control measures such as personal protective equipment, additional cleaning, block booking agency staff and providing taxis so that staff did not need to use public transport.

The operating surplus for the year before actuarial gains/(losses) on the pension scheme was £546k (2020: £42k). After the actuarial gain of £392k (2020: loss £161k) on the defined benefit pension scheme there was a net surplus of £938k (2020: deficit of £119k) in the year.

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### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

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The defined benefit pension scheme, which was closed to future accruals in 2007, was subject to a triennial valuation at 31 March 2018 and has an assessed deficit of £220k (2020: £771k) at the year-end after receiving regular employer contributions of £128k and an additional one off £98k contribution in the year. The additional contribution was in part to cover the additional cost of equalising the Guaranteed Minimum Pension in accordance with the Lloyds Bank judgement in 2018 and subsequent cases and guidance. The Scheme Actuary has made an initial estimate that the cost of this equalisation is £50k.

The Supreme Court judgement on the payment to staff who carry out sleep in shifts was published in March 2021. The outcome is to clarify that Freeways has no historic liability in respect of sleep in payments and clarifies the requirements for the future.

#### **e. Covid-19**

The Trustees have reviewed the overall impact on the financial position of the charity and concluded that the impact of COVID-19 does not currently call into question the long-term sustainability. The position will continue to be monitored and appropriate action taken if required.

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

#### **a. Structure, governance and management**

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. One new Trustee was appointed after the end of the year, following this process.

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 many common trustees but is not under common control although both organisations have similar charitable objects. Freeways currently leases most of its properties from Freeways Trust, as reflected in the accounts.

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 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 12 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'.

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### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Structure, governance and management (continued)**

##### **b. 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.

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

The Trustees (who are also the directors of the charity 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 . 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 Group and the charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

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

##### **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 relevant audit information and to establish that the charitable group's auditor is aware of that information.

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**TRUSTEES' REPORT (CONTINUED)**  
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**Auditor**

The auditor, Mazars LLP, has indicated its willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on Aug 9, 2021 and signed on their behalf by:



[F s Morton \(Aug 9, 2021 10:52 GMT+1\)](#)

**F S Morton**  
Chair  
Date: Aug 9, 2021

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**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FREEWAYS**

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**Opinion**

We have audited the financial statements of Freeways (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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 Financial Reporting Standard 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's and of the parent charitable company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

**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 group and the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustee's 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 group's and the parent charitable company'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 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 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 TRUSTEES OF FREEWAYS (CONTINUED)**

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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.

**Opinion 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 group and the parent company and their 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, 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 directors 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 group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FREEWAYS (CONTINUED)**

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**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 the 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 the group and the parent charitable company, 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, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, 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 directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related posting manual journal entries to manipulate financial performance and significant 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 team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent charitable company 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 directors 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.

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

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**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FREEWAYS (CONTINUED)**

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**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and its 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

Statutory Auditor

90 Victoria Street

Bristol

BS1 6DP

Date: Aug 10, 2021



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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
<b>Income from:</b>					
Government grants, donations and legacies	3	223	263	486	27
Charitable activities	4	6,644	(1)	6,643	6,050
Other trading activities	5	-	-	-	9
Investments		1	-	1	5
<b>Total income</b>		6,868	262	7,130	6,091
<b>Expenditure on:</b>					
Charitable activities		6,315	269	6,584	6,050
<b>Total expenditure</b>		6,315	269	6,584	6,050
Remeasurement gains/(losses) on defined benefit scheme		392	-	392	(161)
<b>Net movement in funds</b>		945	(7)	938	(120)
<b>Reconciliation of funds:</b>					
Total funds brought forward		544	(19)	525	645
Net movement in funds		945	(7)	938	(120)
<b>Total funds carried forward</b>		1,489	(26)	1,463	525

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 37 form part of these financial statements.

**FREEWAYS**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 02209114**

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

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	11	39	21
		<u>39</u>	<u>21</u>
<b>Current assets</b>			
Debtors	13	517	491
Cash at bank and in hand		1,614	1,217
		<u>2,131</u>	<u>1,708</u>
Creditors: amounts falling due within one year	14	(487)	(433)
<b>Net current assets</b>		<u>1,644</u>	<u>1,275</u>
<b>Total assets less current liabilities</b>		<u>1,683</u>	<u>1,296</u>
<b>Net assets excluding pension liability</b>		<u>1,683</u>	<u>1,296</u>
Defined benefit pension scheme liability	22	(220)	(771)
<b>Total net assets</b>		<u><u>1,463</u></u>	<u><u>525</u></u>
<b>Charity funds</b>			
Restricted funds	16	(26)	(19)
Unrestricted funds	16	1,489	544
<b>Total funds</b>		<u><u>1,463</u></u>	<u><u>525</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

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

*F S Morton*  
F S Morton (Aug 9, 2021 10:52 GMT+1)

**F S Morton**  
Chair

*P.J.Laszlo*  
P.J.Laszlo (Aug 9, 2021 14:40 GMT+1)

**P J Laszlo**

The notes on pages 19 to 37 form part of these financial statements.

**FREEWAYS**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 02209114**

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

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	11	39	21
		<u>39</u>	<u>21</u>
<b>Current assets</b>			
Debtors	13	509	486
Cash at bank and in hand		1,600	1,181
		<u>2,109</u>	<u>1,667</u>
Creditors: amounts falling due within one year	14	(487)	(430)
<b>Net current assets</b>		<u>1,622</u>	<u>1,237</u>
<b>Total assets less current liabilities</b>		<u>1,661</u>	<u>1,258</u>
<b>Net assets excluding pension liability</b>		<u>1,661</u>	<u>1,258</u>
Defined benefit pension scheme liability	22	(220)	(771)
<b>Total net assets</b>		<u><u>1,441</u></u>	<u><u>487</u></u>
<b>Charity funds</b>			
Restricted funds	16	(26)	(19)
Unrestricted funds	16	1,467	506
<b>Total funds</b>		<u><u>1,441</u></u>	<u><u>487</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

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

*F s Morton*  
F s Morton (Aug 9, 2021 10:52 GMT+1)  
**F S Morton**

*P.J.Laszlo*  
P.J.Laszlo (Aug 9, 2021 14:40 GMT+1)  
**P J Laszlo**

The notes on pages 19 to 37 form part of these financial statements.

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

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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	422	31
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	1	5
Purchase of tangible fixed assets	(26)	(10)
<b>Net cash used in investing activities</b>	(25)	(5)
<b>Change in cash and cash equivalents in the year</b>	397	26
Cash and cash equivalents at the beginning of the year	1,217	1,191
<b>Cash and cash equivalents at the end of the year</b>	1,614	1,217

The notes on pages 19 to 37 form part of these financial statements

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## **FREEWAYS**

**(A Company Limited by Guarantee)**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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#### **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.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), 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 Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

##### **2.2 Going concern**

The Trustees consider that there is no material uncertainties about Freeways' ability to continue as a going concern. The Covid-19 pandemic and resulting emergency measures have not had a detrimental impact on the finances of the charity. The increased expenditure incurred to maintain services and protect staff and service users was offset by the availability of support grants and government support mechanisms such as the coronavirus job retention scheme. These have allowed the charity to maintain operations without depleting reserves.

##### **2.3 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.4 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.

**2.5 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

**2.6 Tangible fixed assets and depreciation**

Tangible fixed assets costing £10,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition are included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Fixtures and fittings	- 20-33% straight line
-----------------------	------------------------

**2.7 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 the 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 presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.8 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.

**2.9 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.

**2.10 Liabilities**

Liabilities and provisions 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 in the Consolidated Statement of Financial Activities as a finance cost.

**2.11 Financial instruments**

The Group 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.

**2.12 Operating leases**

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

**2.13 Pensions**

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group 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 2018.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.14 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 Group 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 grantors or which have been raised by the Group 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.

**3. Income from government grants, donations and legacies**

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>
Donations	3	-	3
Grants	-	2	2
Government grants	220	261	481
	<hr/>	<hr/>	<hr/>
	223	263	486
	<hr/>	<hr/>	<hr/>

	<b>Unrestricted funds 2020 £000</b>	<b>Restricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Donations	23	-	23
Grants	-	4	4
	<hr/>	<hr/>	<hr/>
	23	4	27
	<hr/>	<hr/>	<hr/>



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**4. Income from charitable activities**

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>
Residential and community care	6,577	(1)	6,576
Hydrotherapy services	67	-	67
<b>Total 2021</b>	<b>6,644</b>	<b>(1)</b>	<b>6,643</b>

	<b>Unrestricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Residential and community care	5,862	5,862
Hydrotherapy services	188	188
<b>Total 2020</b>	<b>6,050</b>	<b>6,050</b>

**5. Income from other trading activities**

**Income from fundraising events**

	<b>Total funds 2021 £000</b>
Conference & Room Hire	-

	<b>Unrestricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Conference & Room Hire	9	9

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**6. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2021 £000</b>	<b>Support costs 2021 £000</b>	<b>Total funds 2021 £000</b>
Residential and Community care	5,362	1,049	6,411
Hydrotherapy services	146	27	173
	<u>5,508</u>	<u>1,076</u>	<u>6,584</u>
	<b>Activities undertaken directly 2020 £000</b>	<b>Support costs 2020 £000</b>	<b>Total funds 2020 £000</b>
Residential and Community care	4,812	991	5,803
Hydrotherapy services	215	32	247
	<u>5,027</u>	<u>1,023</u>	<u>6,050</u>

The tables above includes £269k (2020: £11k) relating to expenditure on restricted funds and £6,315k (2020: £6,039k) relating to expenditure on unrestricted funds.

**7. Governance costs**

	<b>2021 £000</b>	<b>2020 £000</b>
Auditors' remuneration	11	8
Auditors' non audit costs	2	2
Trustee insurance	4	4
Support costs	2	2
Staff costs	7	6
	<u>26</u>	<u>22</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**8. Auditors' remuneration**

The Auditor's remuneration amounts to an Audit fee of £11k (2020: £8k), and preparation of financial statements and other services of £2k (2020 - £2k).

**9. Staff costs**

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>	<b>Company 2021 £000</b>	<b>Company 2020 £000</b>
Wages and salaries	4,160	3,859	4,160	3,859
Social security costs	301	269	301	269
Contribution to defined contribution pension schemes	76	68	76	68
	<u>4,537</u>	<u>4,196</u>	<u>4,537</u>	<u>4,196</u>

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

	<b>Group 2021 No.</b>	<b>Group 2020 No.</b>
Care of residents	214	210
Administration	19	20
	<u>233</u>	<u>230</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>Group 2021 No.</b>	<b>Group 2020 No.</b>
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1

The key management personnel comprise the Chief Executive, the Finance Director, the four Senior Managers, the HR Manager and the Trustees. The total employee benefits of the key management personnel of the charity was £336k (2020: £323k).

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**10. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

The number of trustees to whom retirement benefits are accruing under defined contribution schemes amount to none (2019: none).

Indemnity insurance was purchased at a cost of £4k (2020: £4k) to cover trustees, directors and employees.

**11. Tangible fixed assets**

**Group and Company**

	<b>Fixtures and fittings £000</b>
<b>Cost or valuation</b>	
At 1 April 2020	457
Additions	26
At 31 March 2021	<u>483</u>
<b>Depreciation</b>	
At 1 April 2020	436
Charge for the year	8
At 31 March 2021	<u>444</u>
<b>Net book value</b>	
At 31 March 2021	<u><u>39</u></u>
At 31 March 2020	<u><u>21</u></u>

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**12. 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 2021 are shown below.

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Turnover	30	64
Cost of sales	(11)	(29)
Gross profit	19	35
Administrative expenses	(1)	(1)
Profit before Gift Aid payment	18	34
Gift Aid payment	(18)	(34)
Profit after Gift Aid payment	-	-
Net assets	21	38

**13. Debtors**

	<b>Group</b> <b>2021</b> <b>£000</b>	<b>Group</b> <b>2020</b> <b>£000</b>	<b>Company</b> <b>2021</b> <b>£000</b>	<b>Company</b> <b>2020</b> <b>£000</b>
<b>Due within one year</b>				
Trade debtors	279	379	279	374
Other debtors	13	6	13	6
Prepayments and accrued income	225	106	217	106
	517	491	509	486

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>	<b>Company 2021 £000</b>	<b>Company 2020 £000</b>
Trade creditors	79	105	79	105
Other taxation and social security	66	63	66	63
Other creditors	33	17	32	17
Accruals and deferred income	309	248	310	245
	<u>487</u>	<u>433</u>	<u>487</u>	<u>430</u>

Deferred income relates to income from charitable activities received in advance of the year-end relating to the forthcoming period.

Deferred income for 2021 was £119,468 (2020: £71,812). The amounts deferred at 31 March 2020 were released during the period and the amounts deferred at 31 March 2021 will be recognised during the year ended 31 March 2022.

**15. Financial instruments**

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>2,089</u>	<u>1,667</u>
	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>286</u>	<u>360</u>

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

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 2021**

**16. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2021 £000
<b>Designated funds</b>						
Hardship fund	22	-	-	-	-	22
Pensions Reserve	(771)	-	-	159	392	(220)
	<u>(749)</u>	<u>-</u>	<u>-</u>	<u>159</u>	<u>392</u>	<u>(198)</u>
<b>General funds</b>						
General Funds - all funds	1,293	6,868	(6,315)	(159)	-	1,687
<b>Total Unrestricted funds</b>	<u>544</u>	<u>6,868</u>	<u>(6,315)</u>	<u>-</u>	<u>392</u>	<u>1,489</u>
<b>Restricted funds</b>						
Working and learning opportunities	6	-	-	-	-	6
Workforce Development Fund	(25)	1	(8)	-	-	(32)
Covid-19 Grant	-	261	(261)	-	-	-
	<u>(19)</u>	<u>262</u>	<u>(269)</u>	<u>-</u>	<u>-</u>	<u>(26)</u>
<b>Total of funds</b>	<u><u>525</u></u>	<u><u>7,130</u></u>	<u><u>(6,584)</u></u>	<u><u>-</u></u>	<u><u>392</u></u>	<u><u>1,463</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**16. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 April 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2020 £000
<b>Designated funds</b>						
Hardship fund	22	-	-	-	-	22
Pensions Reserve	(721)	-	-	111	(161)	(771)
	<u>(699)</u>	<u>-</u>	<u>-</u>	<u>111</u>	<u>(161)</u>	<u>(749)</u>
<b>General funds</b>						
General Funds - all funds	1,356	6,086	(6,038)	(111)	-	1,293
<b>Total Unrestricted funds</b>	<u>657</u>	<u>6,086</u>	<u>(6,038)</u>	<u>-</u>	<u>(161)</u>	<u>544</u>
<b>Restricted funds</b>						
Working and learning opportunities	6	-	-	-	-	6
Workforce Development Fund	(18)	4	(11)	-	-	(25)
	<u>(12)</u>	<u>4</u>	<u>(11)</u>	<u>-</u>	<u>-</u>	<u>(19)</u>
<b>Total of funds</b>	<u><u>645</u></u>	<u><u>6,090</u></u>	<u><u>(6,049)</u></u>	<u><u>-</u></u>	<u><u>(161)</u></u>	<u><u>525</u></u>



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## **FREEWAYS**

**(A Company Limited by Guarantee)**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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**Hardship Fund** - 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. When the current qualifications are completed the level of reimbursement has been assessed to be sufficient to eliminate the current deficit.

#### **Covid-19 Grant**

The Covid-19 grant reserve reflects three separate Covid related grants received. The grants were for infection control, rapid testing and workforce capacity and have been fully expended in the year.

## **17. Summary of funds**

### **Summary of funds - current year**

	Balance at 1 April 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2021 £000
Designated funds	(749)	-	-	159	392	(198)
General funds	1,293	6,868	(6,315)	(159)	-	1,687
Restricted funds	(19)	262	(269)	-	-	(26)
	<u>525</u>	<u>7,130</u>	<u>(6,584)</u>	<u>-</u>	<u>392</u>	<u>1,463</u>

### **Summary of funds - prior year**

	Balance at 1 April 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2020 £000
Designated funds	(699)	-	-	111	(161)	(749)
General funds	1,356	6,086	(6,038)	(111)	-	1,293
Restricted funds	(12)	4	(11)	-	-	(19)
	<u>645</u>	<u>6,090</u>	<u>(6,049)</u>	<u>-</u>	<u>(161)</u>	<u>525</u>

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

Analysis of net assets between funds - current year

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>
Tangible fixed assets	39	-	39
Current assets	2,131	-	2,131
Creditors due within one year	(461)	(26)	(487)
Provisions for liabilities and charges	(220)	-	(220)
	<u>1,489</u>	<u>(26)</u>	<u>1,463</u>

Analysis of net assets between funds - prior year

	<b>Unrestricted funds 2020 £000</b>	<b>Restricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Tangible fixed assets	21	-	21
Current assets	1,708	-	1,708
Creditors due within one year	(414)	(19)	(433)
Provisions for liabilities and charges	(771)	-	(771)
	<u>544</u>	<u>(19)</u>	<u>525</u>

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

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>
Net income/expenditure for the year (as per Statement of Financial Activities)	938	(120)
<b>Adjustments for:</b>		
Depreciation charges	8	4
Dividends, interests and rents from investments	(1)	(5)
Decrease/(increase) in debtors	(26)	98
Increase in creditors	54	4
Losses/(gains) on defined benefit pension scheme	(392)	161
Income on defined benefit pension scheme	(159)	(111)
<b>Net cash provided by operating activities</b>	<b>422</b>	<b>31</b>

**20. Analysis of cash and cash equivalents**

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>
Cash in hand	1,614	1,217
<b>Total cash and cash equivalents</b>	<b>1,614</b>	<b>1,217</b>

**21. Analysis of changes in net debt**

	<b>At 1 April 2020 £000</b>	<b>Cash flows £000</b>	<b>At 31 March 2021 £000</b>
Cash at bank and in hand	1,217	397	1,614
	<b>1,217</b>	<b>397</b>	<b>1,614</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**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 £76k (2020: £68k).

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 2018. Under the current schedule of contributions, the Company shall pay contributions of £128k per annum until 31 December 2026. The Company shall also pay the expenses of administering the Scheme.

Independent consulting actuaries, Quantum Advisory, update the actuarial valuations at each balance sheet date.

Principal actuarial assumptions at the Balance Sheet date:

	<b>At 31 March 2021 %</b>	<b>At 31 March 2020 %</b>
Discount rate at 31 March	2.00	2.30
Rate of price inflation (RPI)	3.70	3.10
Rate of increase for pensions in deferment	2.70	2.10
Rate of pension increases: pensions from 6 April 1997 to 31 March 2001	3.70	3.60
Rate of pension increases: pension accrued from 1 April 2001	3.20	3.00

	<b>At 31 March 2021 Years</b>	<b>At 31 March 2020 Years</b>
Mortality rates (in years)		
- for a male aged 65 now	21.5	21.4
- at 65 for a male aged 45 now	22.5	22.4
- for a female aged 65 now	23.5	23.3
- at 65 for a female aged 45 now	24.7	24.5

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**22. Pension commitments (continued)**

The Group's share of the assets in the scheme was:

	<b>At 31 March 2021 £000</b>	<b>At 31 March 2020 £000</b>
Equities and Hedge funds/Absolute return	3,460	2,609
Commodities	205	205
Fixed Interest	985	603
Cash	228	420
Annuities	86	85
<b>Total fair value of assets</b>	<b>4,964</b>	<b>3,922</b>

The actual return on scheme assets was £948k (2020 - £267k loss).

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

	<b>2021 £000</b>	<b>2020 £000</b>
Past service cost	(51)	-
Expected return on scheme assets	91	104
Interest on obligation	(107)	(121)
<b>Total amount recognised in the Consolidated Statement of Financial Activities</b>	<b>(67)</b>	<b>(17)</b>

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

	<b>2021 £000</b>	<b>2020 £000</b>
Opening defined benefit obligation	4,693	4,875
Interest cost	107	121
Benefits paid	(132)	(93)
Past service costs	51	-
Actuarial (gain)/loss	465	(210)
<b>Closing defined benefit obligation</b>	<b>5,184</b>	<b>4,693</b>

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**22. Pension commitments (continued)**

Movements in the fair value of the Group's share of scheme assets were as follows:

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Opening fair value of scheme assets	3,922	4,154
Interest income on scheme assets	91	104
Return less interest income on scheme assets	857	(371)
Contributions by employer	226	128
Benefits paid	(132)	(93)
<b>Closing fair value of scheme assets</b>	<b>4,964</b>	<b>3,922</b>

The cumulative amount of actuarial gains and losses recognised in the Consolidated Statement of Total Recognised Gains and Losses was £2,566k losses (2020 - £2,499k losses).

The group expects to contribute £128k to its Defined Benefit Pension Scheme in the year 31 March 2022.

The mortality assumptions as at 31 March 2021 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.

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

Defined benefit pension schemes

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
Defined benefit obligation	(5,184)	(4,693)	(4,875)	(4,754)	(4,885)
Scheme assets	4,964	3,922	4,154	3,962	3,910
<b>Deficit</b>	<b>(220)</b>	<b>(771)</b>	<b>(721)</b>	<b>(792)</b>	<b>(975)</b>

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
<b>Total amount recognised in other comprehensive income</b>		
Return less interest income on scheme assets	857	(371)
Actuarial gain/(loss) on liabilities	(465)	210
	<b>392</b>	<b>(161)</b>

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**23. Operating lease commitments**

At 31 March 2021 the Group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>	<b>Company 2021 £000</b>	<b>Company 2020 £000</b>
Not later than 1 year	26	21	26	21
Later than 1 year and not later than 5 years	30	12	30	12
	<u>56</u>	<u>33</u>	<u>56</u>	<u>33</u>

**24. Related party transactions**

The Trustees also represent the majority of the Board of 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 £468k (2020: £502k) to Freeways Trust in the year ended 31 March 2021. Freeways Trust paid £10k (2020: £10k) to Freeways in respect of management charges and was paid £39k (2020: £25k) by Freeways in respect of management charges. At the year end Freeways owed Freeways Trust £36k (2020: £34k) and was owed £3k (2020: £3k) by Freeways Trust.