

Registered number: 02209114
Charity number: 298603

FREEWAYS
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

FREEWAYS
(A Company Limited by Guarantee)

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees	C C Britton, Non-executive A M Heaton, Non-executive L B Cooke, Non-executive (resigned 21 September 2021) P J Laszlo, Non-executive (resigned 21 September 2021) F S Morton, Chair, Non-executive D Y Pincott, Non-executive M S Barnett, Non-executive (appointed 14 June 2021) B E Sawyer (appointed 21 September 2021)
Company registered number	02209114
Charity registered number	298603
Registered office	Leigh Court Day Centre Pill Road Abbots Leigh Bristol BS8 3RA
Company secretary	D G Slack (resigned 10 March 2022) R L Burkinshaw (appointed 17 March 2022)
Chief executive officer	Claire Hayward
Independent auditor	Mazars LLP Chartered Accountants 90 Victoria Street Bristol BS1 6DP
Bankers	Barclays Bank plc 86 Queens Road Clifton Bristol BS8 1RB National Westminster Bank Plc 13 High Street Westbury-on-Trym Bristol BS9 3BF
Solicitors	Burges Salmon LLP One Glass Wharf Bristol BS2 0ZX

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of the charity for the year 1 April 2021 to 31 March 2022. 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

a. 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 in 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

a. 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 continuing impact of the global pandemic caused by Covid-19.

A strong focus was placed on the wellbeing of both staff, who have worked tirelessly to support our service users, and the people we support in line with their increased risk and the curtailment of their planned activities and freedoms.

Between Christmas and April there were a number of outbreaks in services with a number of staff working above and beyond to ensure the wellbeing of the people we support. This was especially true when a number of their colleagues were also unwell.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

A couple individuals did need additional support from health services due to Covid-19 but fortunately all have now recovered.

Staff completed Restore2 observations (e.g. temperature, blood pressure, pulse and O2 levels) on the people we support to understand the impact of Covid-19, especially on those individuals who were unable to communicate how they were feeling.

These observations led to one service identifying a heart condition in a resident and working with health services to ensure a pacemaker was fitted; this saved his life.

Due to the age of the clients, the number of health issues are increasing. As a response staff have been required to manage a number of incidents with these health emergencies lasting for a number of hours until ambulances arrived and paramedics and other health professionals could take over. Even where there have not been health emergencies, teams have taken on additional training and completed additional tasks to enable residents to remain in their home and ensured the best quality of life.

The teams continued to embrace technology to support new ways of communicating with their families to ensure the essential relationships can be maintained. However, all are glad that a number of restrictions have been eased and people can see their friends and families in person again.

The organisation, along with the Wellbeing group, have put in place a number of wellbeing strategies and worked hard to communicate these with staff; the levels of stress leading to burnout in health and social care due to the pandemic and staffing crisis has been well documented and the charity recognised the need to support its staff teams. These include:

- Information leaflets at key dates in the year
- Employee Assistance Programme (EAP); 24 hour confidential helpline (including access to counselling, financial and legal advice) and online health portal.
- Health Assured (EAP) Newsletters shared with services
- Mental Health resources (available on management information)
- Wellbeing Group (with a member in each service)
- Staff Representative Group
- Occupational Health
- Able Futures
- Access to Work
- Mental Health Awareness Training for all staff
- Manual Handling training
- First Aid Training
- Access to the Hydrotherapy Pool at designated times
- Supervisions
- Team Meetings
- Organisational Sick Pay
- Employers Network for Equality & Inclusion
- Disability Confident Employer
- Financial Support Organisations i.e. Mind

Quality

CQC took a risk based approach to inspections this year and currently there is no plan for any inspections, although the local authority has inspected some services in North Somerset. Currently all our services remain rated as Good overall.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

Work continued to be 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 continues to produce audits annually regarding Safeguarding, Medication Errors and Feedback and produce actions plans to continuously monitor our services.

One of our newest types of services, specialist Positive Behaviour Support (PBS) Services which support individuals at risk of needing a hospital placement due to the frequency, intensity and longevity of their behaviours which can challenge others, has been a real success this year.

Outcomes of these services include an individual who has managed to remain in their tenancy due to the support they received, and this is now their longest ever placement, and another who has seen a reduction in behaviours and is now able to access the community more often ensuring a better quality of life.

Freeways wanted to ensure that, although there were many successes, we continued to improve. With this in mind we commissioned an independent review of the services which will be completed in April 2022. This will look at processes and paperwork and obtain feedback from past and present staff as well as commissioners and the people we support. The aim is to help us move forward with our PBS plan for the whole organisation.

Although Covid-19 continued to be the backdrop to the year there were some 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:

- A number of individuals were supported to volunteer at local groups according to their preferences and areas of interest. This included at a furniture recycling centre, local outdoor swimming pool, community cinema and local café. Individuals were also supported into employment and one individual completed a training course, applied for a number of roles and is now successfully employed as a support for a carpet fitter.
- Individuals were encouraged to take up activities with some starting cycling courses and activities, jujitsu lessons, piano lessons, pottery and helping out at a community farm.
- One individual has been supporting the Police, NHS and Local authority and working with providers, carers and disability specialists to respond to a report by Sir Stephen Budd on services for people with learning disabilities and autistic people in Bristol. This work will help shape services across Bristol, North Somerset and South Gloucestershire.

Staff have supported staff to achieve many financial outcomes which led to an improved quality of living. Some key examples are below:

- Client A was supported to take the DWP to court. After 18 months, the case was upheld in their favour and the outstanding £16,000 was paid to her landlords.
- Client B has cleared her rent arrears without taking any financial support, she was supported to set up a payment plan and stuck to her monthly extra payments.
- Client C was supported to put payment plans in place for all his outstanding debts he also is now accessing the correct benefits.
- Client D was supported at numerous complex meetings to live in safe accommodation and successfully apply for grants to furnish her new home.
- Client E was supported to access benefits for his wife and to access his pension.

Freeways staff have been recognised for the work they achieved, and a number of staff have been shortlisted for upcoming awards.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

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

Evolution

Freeways worked with Freeways Trust to design a new supported living service at Morley House which opened in May 2021. The redesigned property consists of 6 flats including one with adaptations for an individual with mobility issues. The new tenants and the team are working well together and everyone is really happy with the standard of the property and for most this is their first supported living service and so enjoying the opportunity to be even more independent.

Freeways has completed a significant tender process over the last year to be able to implement its digital strategy which will include time and attendance, rota management and digital care records. This is a significant process which also includes improving the infrastructure in our services. Staff were invited to be part of the process as the main end users and discussions were had with a number of other providers.

We are currently in the configuration stage and hope to pilot the new systems in late 2022 and roll out to the other services in 2023.

The aim is to reduce the time spent completing paperwork (and its duplication), improve the quality of our services even further whilst collecting the data required to make the best decisions going forward.

As part of our digital strategy we have been working to ensure our IT and data security meets recognised standards and we hope to achieve the NHS digital security toolkit standards by June 2022 which is the end date of the assessment period.

There are a number of other strategies which are in the process of being completed in order to move the organisation forward and support the aims of the charity:

- Freeways are completing their Equality, Diversity and Inclusion Strategy and have linked in with Employers Network for Equality and Inclusion and have completed a benchmarking tool to assess our work to date. Our strategy, once signed off, will be published on our website.
- Staff Wellbeing Strategy has the aim of promoting health and wellbeing to our staff and to role model this to the people we support. We are aware of the toll that the last two years of Covid-19 had on our staff who have to continue to wear PPE and test regularly although these rules have been relaxed in most other industries. The strategy is a step towards supporting people to talk about their wellbeing and get support before crisis point with a focus on education and signposting.
- Working with additional funding from Business West, we have been working with a consultant to complete a recruitment and retention strategy to be finalised in 2022. This will also link into our Equality and Diversity Strategy.
- Freeways have just started looking at an Environmental Strategy and key individuals are undertaking Carbon Literacy training in the next few weeks and will be working with a consultant to identify the carbon footprint of the organisation and actions to make a positive change. This will be the basis of our strategy to help meet the government's 2030 targets of zero carbon emissions.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

Freeways are continuing to work towards being cashless where possible and more people we support are using the specialist payment cards. In the next year we are hoping to pilot this for petty cash in services.

Lastly we continue to work with our main landlord to review our estate and we are jointly working with the local authorities in which we are based to understand the local need and ensure our properties are designed with the currently and future needs in mind. We are currently working on two properties, one in North Somerset and another in Bristol, with the aim to provide an enhanced service in 2023.

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 2022-23 budget and future plans. The policy continues to be set at building free reserves to at least two month's expenditure (currently £1,008k) 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 2022 were £2,022k (2021 £1,687k) and therefore meet the target level. The organisation will look to generate surpluses in future years to retain adequate reserves, however, the plans set out below may necessitate some investment of reserves. The Trustees will continue to review the reserves policy regularly and amend it accordingly dependent on the strategic plans of the organisation and the changes in circumstances.

The pension reserve surplus at 31 March 2022 of £482k (2021: deficit £(220)k) 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 3% compared to the previous year (£7,377k compared to £7,130k) due to a 6% increase in income from charitable activities and government grants of £358k. This reflects

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

additional activity within a number of services and government grants in relation to Covid-19.

Expenditure on charitable activities rose by 5% (£6,914k compared to £6,584k) due to additional expenditure relating to Covid-19 which was mainly funded through the government grants received. Additional expenditure was incurred on infection control measures as well as staff retention and recruitment. Some of larger contracts were retendered during the year resulting in savings in energy costs and insurance.

The operating surplus for the year before actuarial losses on the pension scheme was £463k (2021: £546k). After the actuarial gain of £577k (2021: £392k) on the defined benefit pension scheme there was a net surplus of £1,040k (2021: £938k) in the year.

The defined benefit pension scheme, which was closed to future accruals in 2007, has an assessed surplus of £482k (2021: deficit £(220)k) at the year-end after receiving regular employer contributions of £128k.

e. Covid-19

The Trustees have reviewed the overall impact of Covid-19 on the financial position and concluded that it does not currently call into question the long-term sustainability of the charity. 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 Office 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 13 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 2022

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 judgements 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; and
- 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)
FOR THE YEAR ENDED 31 MARCH 2022

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 and signed on their behalf by:



[Franklin morton \(Nov 10, 2022 13:31 GMT\)](#)

F S Morton

Chair

Date: Nov 10, 2022



[Cc Britton \(Nov 10, 2022 15:15 GMT\)](#)

C C Britton

Trustee

INDEPENDENT AUDITOR'S REPORT TO THE OF FREEWAYS

Opinion

We have audited the financial statements of Freeways (the 'parent charitable company') for the year ended 31 March 2022 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 to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2022 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 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE OF FREEWAYS

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 this gives rise to a material misstatement in the financial statements themselves. 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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees'

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the Trustees' are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees' 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' 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 to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE OF FREEWAYS

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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 considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent charitable company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the 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.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the Trustees' 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 to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pointed to the cut-off assertion) and significant one-off or unusual transactions.

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.

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INDEPENDENT AUDITOR'S REPORT TO THE OF FREEWAYS

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

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.



[Jonathan Marchant \(Nov 10, 2022 16:57 GMT\)](#)

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

Date: Nov 10, 2022

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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note				
Income from:					
Government grants, donations and legacies	3	3	355	358	486
Charitable activities	4	7,019	-	7,019	6,643
Investments		-	-	-	1
Total income		7,022	355	7,377	7,130
Expenditure on:					
Charitable activities		6,562	352	6,914	6,584
Total expenditure		6,562	352	6,914	6,584
Net income before net gains on investments		460	3	463	546
Remeasurement gains/(losses) on defined benefit scheme		577	-	577	392
Net movement in funds		1,037	3	1,040	938
Reconciliation of funds:					
Total funds brought forward		1,489	(26)	1,463	525
Net movement in funds		1,037	3	1,040	938
Total funds carried forward		2,526	(23)	2,503	1,463

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

The notes on pages 18 to 36 form part of these financial statements.

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**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022**

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	10	53	39
		<u>53</u>	<u>39</u>
Current assets			
Debtors	12	594	517
Cash at bank and in hand		1,935	1,614
		<u>2,529</u>	<u>2,131</u>
Creditors: amounts falling due within one year	13	(561)	(487)
Net current assets		<u>1,968</u>	<u>1,644</u>
Total assets less current liabilities		<u>2,021</u>	<u>1,683</u>
Net assets excluding pension asset / liability		<u>2,021</u>	<u>1,683</u>
Defined benefit pension scheme asset / liability	21	482	(220)
Total net assets		<u><u>2,503</u></u>	<u><u>1,463</u></u>
Charity funds			
Restricted funds	15	(23)	(26)
Unrestricted funds	15	2,526	1,489
Total funds		<u><u>2,503</u></u>	<u><u>1,463</u></u>

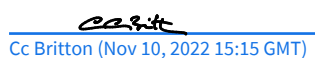
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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 Nov 10, 2022 and signed on their behalf by:


Franklin Morton (Nov 10, 2022 13:31 GMT)

F S Morton
Chair


Cc Britton (Nov 10, 2022 15:15 GMT)

C C Britton
Trustee

The notes on pages 18 to 36 form part of these financial statements.

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

CHARITY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	10	53	39
		<u>53</u>	<u>39</u>
Current assets			
Debtors	12	587	509
Cash at bank and in hand		1,892	1,600
		<u>2,479</u>	<u>2,109</u>
Creditors: amounts falling due within one year	13	(556)	(487)
Net current assets		<u>1,923</u>	<u>1,622</u>
Total assets less current liabilities		<u>1,976</u>	<u>1,661</u>
Net assets excluding pension asset / liability		<u>1,976</u>	<u>1,661</u>
Defined benefit pension scheme asset / liability	21	482	(220)
Total net assets		<u><u>2,458</u></u>	<u><u>1,441</u></u>
Charity funds			
Restricted funds	15	(23)	(26)
Unrestricted funds	15	2,481	1,467
Total funds		<u><u>2,458</u></u>	<u><u>1,441</u></u>

The charity's net movement in funds for the year was £1,016 (2021 - £954).

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 Nov 10, 2022 and signed on their behalf by:

Franklin morton
 Franklin morton (Nov 10, 2022 13:31 GMT)

F S Morton
 Chair

Cc Britton
 Cc Britton (Nov 10, 2022 15:15 GMT)

C C Britton
 Trustee

The notes on pages 18 to 36 form part of these financial statements.

FREEWAYS
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £000	2021 £000
Cash flows from operating activities		
Net cash used in operating activities	432	422
Cash flows from investing activities		
Dividends, interests and rents from investments	-	1
Purchase of tangible fixed assets	(111)	(26)
Net cash used in investing activities	(111)	(25)
Change in cash and cash equivalents in the year	321	397
Cash and cash equivalents at the beginning of the year	1,614	1,217
Cash and cash equivalents at the end of the year	1,935	1,614

The notes on pages 18 to 36 form part of these financial statements

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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 2022

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 bases:

Motor vehicles	- 10-33% straight line
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 2022

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 2022**

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

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000
Donations	3	-	3
Grants	-	14	14
Government grants	-	341	341
	<u>3</u>	<u>355</u>	<u>358</u>

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

FREEWAYS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. Income from charitable activities

	Unrestricted funds 2022 £000	Total funds 2022 £000
Residential and community care	6,862	6,862
Hydrotherapy services	157	157
Total 2022	7,019	7,019

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

FREEWAYS
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. Analysis of expenditure by activities

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000
Residential and Community care	5,618	1,072	6,690
Hydrotherapy services	193	31	224
	<u>5,811</u>	<u>1,103</u>	<u>6,914</u>

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000
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>

The tables above includes £352k (2021: £269k) relating to expenditure on restricted funds and £6,562k (2021: £6,315k) relating to expenditure on unrestricted funds.

6. Governance costs

	2022 £000	2021 £000
Auditors' remuneration	12	11
Auditors' non audit costs	2	2
Trustee insurance	5	4
Support costs	2	2
Staff costs	6	7
	<u>27</u>	<u>26</u>

FREEWAYS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Auditors' remuneration

The Auditor's remuneration amounts to an Audit fee of £12k (2021: £11k), and preparation of financial statements and other services of £2k (2021 - £2k).

8. Staff costs

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Wages and salaries	4,233	4,160	4,233	4,160
Social security costs	312	301	312	301
Contribution to defined contribution pension schemes	79	76	79	76
	<u>4,624</u>	<u>4,537</u>	<u>4,624</u>	<u>4,537</u>

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

	Group 2022 No.	Group 2021 No.
Care of residents	213	214
Administration	19	19
	<u>232</u>	<u>233</u>

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

	Group 2022 No.	Group 2021 No.
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 £340k (2021: £336k).

FREEWAYS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

The number of trustees to whom retirement benefits are accruing under defined contribution schemes amount to none (2021: none).

Indemnity insurance was purchased at a cost of £5k (2021: £4k) to cover trustees, directors and employees.

10. Tangible fixed assets

Group and Company

	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation			
At 1 April 2021	-	483	483
Additions	22	89	111
At 31 March 2022	22	572	594
Depreciation			
At 1 April 2021	-	444	444
Charge for the year	6	91	97
At 31 March 2022	6	535	541
Net book value			
At 31 March 2022	16	37	53
At 31 March 2021	-	39	39

FREEWAYS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. 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 2022 are shown below.

	2022 £000	2021 £000
Turnover	77	30
Cost of sales	(34)	(11)
Gross profit	43	19
Administrative expenses	(1)	(1)
Profit before Gift Aid payment	42	18
Gift Aid payment	(42)	(18)
Profit after Gift Aid payment	-	-
Net assets	45	21

12. Debtors

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Due within one year				
Trade debtors	343	279	336	279
Other debtors	8	13	8	13
Prepayments and accrued income	243	225	243	217
	594	517	587	509

FREEWAYS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. Creditors: Amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade creditors	131	79	131	79
Other taxation and social security	76	66	76	66
Other creditors	43	33	38	32
Accruals and deferred income	311	309	311	310
	<u>561</u>	<u>487</u>	<u>556</u>	<u>487</u>

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

Deferred income for 2022 was £148,113 (2021: £119,468). The amounts deferred at 31 March 2021 were released during the period and the amounts deferred at 31 March 2022 will be recognised during the year ended 31 March 2023.

14. Financial instruments

	Group 2022 £000	Group 2021 £000
Financial assets		
Financial assets measured at amortised cost	<u>2,487</u>	<u>2,089</u>
	Group 2022 £000	Group 2021 £000
Financial liabilities		
Financial liabilities measured at amortised cost	<u>337</u>	<u>286</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 2022**

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2022 £000
Designated funds						
Hardship fund	22	-	-	-	-	22
Pensions Reserve	(220)	-	-	125	577	482
	<u>(198)</u>	<u>-</u>	<u>-</u>	<u>125</u>	<u>577</u>	<u>504</u>
General funds						
General Funds - all funds	1,687	7,022	(6,562)	(125)	-	2,022
Total Unrestricted funds	<u>1,489</u>	<u>7,022</u>	<u>(6,562)</u>	<u>-</u>	<u>577</u>	<u>2,526</u>
Restricted funds						
Working and learning opportunities	6	-	-	-	-	6
Workforce Development Fund	(32)	14	(11)	-	-	(29)
Covid-19 Grant	-	341	(341)	-	-	-
	<u>(26)</u>	<u>355</u>	<u>(352)</u>	<u>-</u>	<u>-</u>	<u>(23)</u>
Total of funds	<u><u>1,463</u></u>	<u><u>7,377</u></u>	<u><u>(6,914)</u></u>	<u><u>-</u></u>	<u><u>577</u></u>	<u><u>2,503</u></u>

FREEWAYS
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Statement of funds (continued)

Statement of funds - prior 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						
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>
General funds						
General Funds - all funds	1,293	6,868	(6,315)	(159)	-	1,687
Total Unrestricted funds	<u>544</u>	<u>6,868</u>	<u>(6,315)</u>	<u>-</u>	<u>392</u>	<u>1,489</u>
Restricted funds						
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>
Total of funds	<u>525</u>	<u>7,130</u>	<u>(6,584)</u>	<u>-</u>	<u>392</u>	<u>1,463</u>

FREEWAYS

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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.

16. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2022 £000
Designated funds	(198)	-	-	125	577	504
General funds	1,687	7,022	(6,562)	(125)	-	2,022
Restricted funds	(26)	355	(352)	-	-	(23)
	<u>1,463</u>	<u>7,377</u>	<u>(6,914)</u>	<u>-</u>	<u>577</u>	<u>2,503</u>

Summary of funds - prior 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>

FREEWAYS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	53	-	53
Current assets	2,529	-	2,529
Creditors due within one year	(538)	(23)	(561)
Provisions for liabilities and charges	482	-	482
	<u>2,526</u>	<u>(23)</u>	<u>2,503</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000
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>

FREEWAYS
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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

	Group 2022 £000	Group 2021 £000
Net income for the year (as per Statement of Financial Activities)	1,040	938
Adjustments for:		
Depreciation charges	97	8
Dividends, interests and rents from investments	-	(1)
Increase in debtors	(77)	(26)
Increase in creditors	74	54
Losses/(gains) on defined benefit pension scheme	(577)	(392)
Income on defined benefit pension scheme	(125)	(159)
Net cash provided by operating activities	432	422

19. Analysis of cash and cash equivalents

	Group 2022 £000	Group 2021 £000
Cash in hand	1,935	1,614
Total cash and cash equivalents	1,935	1,614

20. Analysis of changes in net debt

	At 1 April 2021 £000	Cash flows £000	At 31 March 2022 £000
Cash at bank and in hand	1,614	321	1,935
	1,614	321	1,935

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

21. Pension commitments

The Group operates a defined benefit 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 £79k (2021: £76k).

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 2021. 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 (expressed as weighted averages):

	At 31 March 2022 %	At 31 March 2021 %
Discount rate at 31 March	2.80	2.00
Rate of price inflation (RPI)	4.10	3.70
Rate of increase for pensions in deferment	3.10	2.70
Rate of pension increases: pensions from 6 April 1997 to 31 March 2001	3.90	3.70
Rate of pension increases: pension accrued from 1 April 2001	3.50	3.20

	At 31 March 2022 Years	At 31 March 2021 Years
Mortality rates (in years)		
- for a male aged 65 now	21.8	21.5
- at 65 for a male aged 45 now	22.8	22.5
- for a female aged 65 now	24.2	23.5
- at 65 for a female aged 45 now	25.3	24.7

FREEWAYS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

21. Pension commitments (continued)

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

	At 31 March 2022 £000	At 31 March 2021 £000
Equities and Hedge funds/Absolute return	3,550	3,460
Commodities	176	205
Fixed Interest	924	985
Cash	239	228
Annuities	67	86
Total fair value of assets	4,956	4,964

The actual return on scheme assets was £-13k (2021 - £948k).

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

	2022 £000	2021 £000
Past service cost	-	(51)
Expected return on scheme assets	99	91
Interest on obligation	(102)	(107)
Total amount recognised in the Consolidated Statement of Financial Activities	(3)	(67)

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

	2022 £000	2021 £000
Opening defined benefit obligation	5,184	4,693
Interest cost	102	107
Benefits paid	(123)	(132)
Past service costs	-	51
Actuarial (gain)/loss	(689)	465
Closing defined benefit obligation	4,474	5,184

FREEWAYS
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

21. Pension commitments (continued)

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

	2022 £000	2021 £000
Opening fair value of scheme assets	4,964	3,922
Interest income on scheme assets	99	91
Return less interest income on scheme assets	(112)	857
Contributions by employer	128	226
Benefits paid	(123)	(132)
Closing fair value of scheme assets	4,956	4,964

The cumulative amount of actuarial gains and losses recognised in the Consolidated Statement of Total Recognised Gains and Losses was £1,989k losses (2021 - £2,566k 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 2022 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.

	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Defined benefit obligation	(4,474)	(5,184)	(4,693)	(4,875)	(4,754)
Scheme assets	4,956	4,964	3,922	4,154	3,962
Deficit	482	(220)	(771)	(721)	(792)

	2022 £000	2021 £000
Total amount recognised in other comprehensive income		
Return less interest income on scheme assets	(112)	857
Actuarial gain/(loss) on liabilities	689	(465)
	577	392

FREEWAYS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

22. Operating lease commitments

At 31 March 2022 the Group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Not later than 1 year	22	26	22	26
Later than 1 year and not later than 5 years	27	30	27	30
	<u>49</u>	<u>56</u>	<u>49</u>	<u>56</u>

23. 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 £464k (2021: £468k) to Freeways Trust in the year ended 31 March 2022. Freeways Trust paid £11k (2021: £10k) to Freeways in respect of management charges and was paid £40k (2021: £39k) by Freeways in respect of management charges. At the year end Freeways owed to Freeways Trust £42k (2021: £36k) and was owed to Freeways Trust £3k (2021: £3k was owed to Freeways).

Principal subsidiaries

The following was a subsidiary undertaking of the charity:

The financial results of the subsidiary for the year were: