

Charity Registration No. 1088592

Company Registration No. 04107226 (England and Wales)

**PURSUING INDEPENDENT PATHS**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

# PURSuing INDEPENDENT PATHS

## LEGAL AND ADMINISTRATIVE INFORMATION

---

Trustees	D Fletcher	(Appointed 12 February 2020)
	J Leach	
	F Carbonaro	
	T Matthews	
	D Wakerley	(Appointed 15 May 2019)
	J Wilcox	
	M Barrie	
Secretary	T Matthews	
Charity number	1088592	
Company number	04107226	
Principal address	4E Warwick Court Shirland Mews London W9 3DY	
Registered office	4E Warwick Court Shirland Mews London W9 3DY	
Auditor	HW Fisher Acre House 11-15 William Road London NW1 3ER United Kingdom	
Bankers	Unity Trust Bank Nine Brindleyplace Birmingham B1 2HB	

---

# PURSuing INDEPENDENT PATHS

## CONTENTS

---

	Page
Trustees' report	1 - 8
Statement of trustees' responsibilities	9
Independent auditor's report	10 - 11
Statement of financial activities	12 - 13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16 - 26

---

## PURSUING INDEPENDENT PATHS

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

#### *FOR THE YEAR ENDED 31 MARCH 2020*

---

The trustees present their annual trustees' report together with the financial statements of the charity for the year ending 31 March 2020 which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### OBJECTIVES AND ACTIVITIES

PIP's charitable objects are to promote any charitable purpose for the benefit of the public in the UK and, in particular, adults (aged over 18) living in Greater London who have learning difficulties and/or mental health problems, by the advancement of education and the protection of health.

PIP's mission is to support adults with learning disabilities to achieve their potential.

PIP's vision is to:

- Integrate service users into the wider community
- Offer service users a voice within the community
- Extend choice and opportunities to all adults with learning disabilities within the community
- Provide service users with a legitimate voice in developing and managing services
- Enable service users to contribute to the local community through work placements, employment and volunteering

PIP currently delivers four community-based services aimed at enabling adults with learning difficulties and mental health problems to live more independent lives:

- **PIP W9.** This service based at PIP's main centre in Maida Vale provides day services and development aimed at enhancing independent living skills and personal development. Service users come from Westminster, Brent, Kensington and Chelsea and Islington. During 2019-20 59 PIP students used this service ranging from 3.5 to 35 hours each week. Students are offered ASDAN accredited training to equip them with valuable and personal enriching skills.

Education and training focus on literacy and numeracy; preparation for employment; independent living skills; nutrition, cooking and healthy eating; exercise and lifestyle choices; arts and crafts, theatre and drama. Students also have opportunities to take part in leisure activities including residential holidays and attending sporting and cultural venues.

- **PIP SW1.** This service is based in the south of Westminster and supports service users who are generally older than the W9 students and generally isolated in their community and often living alone. SW1 offers a range of activities including: arts and crafts, travel training, communication skills, health awareness, community outings, IT skills and exercise. In 2019-20 19 8 service users attended

## PURSUING INDEPENDENT PATHS

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

#### FOR THE YEAR ENDED 31 MARCH 2020

---

sessions at PIP SW1, only some of which contributed personal budget income, as the others fall outside of eligibility criteria.

- **PIP Community Development Project.** This service works intensively on a one – to – one basis with 5 service users who have high support needs and can only access the outside community on a limited basis. The service aims to help users achieve short-term goals, establish individual networks of community support and, where appropriate, help users graduate to W9 or equivalent group-based services.
- **PIP Travel Training.** This service is aimed at enhancing the skills and confidence of young adults with learning disabilities to travel independently and thereby increasing their opportunities for accessing work, education and leisure activities. Personal objectives for each student are agreed between the student, their family or carer, their local authority case manager and PIP. These objectives and progress against them are reviewed regularly and a formal review is conducted involving all parties at least once each year.

PIP's real time monitoring system, MYGOALS, which is used to assess students' progress in achieving goals has been further developed and refined this year. This enables PIP's development workers to discuss progress with students, families and carers, and social services, and tailor individual programs to meet their needs. Our 19-20 Impact Report highlights key achievements including our students creativity, our support from our partners and funders and the difference that PIP's support can make to people's lives. Representatives of students attend six-monthly meetings of PIP's Management Committee to present activities to managers and trustees and to discuss changes and service improvements they wish to see.

#### ACHIEVEMENTS AND PERFORMANCE

PIP has continued to implement and consolidate the strategic direction it set itself in 2015 when it opened the second of its two buildings in W9.

This was to:

1. Deliver a high quality, person centred, individualised service
2. Develop the best delivery team in the sector
3. Ensure the long-term sustainability of our core W9 offering
4. Reach out to the local isolated population of adults with learning disabilities
5. Increase PIP's profile and external relationships to help PIP develop
6. Determine viability of and, if appropriate, create a plan for expansion

## **PURSUING INDEPENDENT PATHS**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

#### ***FOR THE YEAR ENDED 31 MARCH 2020***

---

During the past year PIP has built on the progress made to date in delivering on this plan. In particular:

- PIP has continued to maintain strong relationships with local authorities to ensure that personal budget payments are in line with the hours of support agreed by their case managers. This has ensured that there is still in place a solid underpinning of PIP's finances.
- Student numbers and hours have increased across all of PIP's services, particularly PIP W9.

However it has become increasingly apparent over the last few years that PIP is both rapidly outgrowing the capacity available in W9 and that also the physical layout of the building imposes constraints on both the range of services capable of being offered and also its accessibility for students with physical and mobility issues.

PIP has therefore actively been pursuing a strategy (under the banner of Beanstalk) both to identify new premises which are bigger and more fit for purpose, and to raise funds both to meet the capital costs of adaptations to a new building and ongoing revenue support for higher levels of service. Good progress has been made in fundraising, with a number of major donors and foundations expressing interest and committing funds to support the project. The identification of new premises has been disappointingly slow with few properties of the right sort available within the catchment area for our students. Current plans were temporarily put on hold during the Covid 19 lockdown, but PIP is now actively pursuing new opportunities.

#### **FUNDRAISING**

In 2019-20, for its core business, PIP raised £88,337 (2018-19: £128,186) through fundraising activities and another £181,950 (2018-19 £120,484) through grant income. The decrease of £39,849 in income through fundraising activities was driven by the cancellation of the annual mountain bike challenge event, which generated an estimated net contribution of £30,243 in 2018-19.

Additionally, for the Beanstalk campaign, PIP has raised £84,506 (2018-19: £271,120) in confirmed grants and donations, with additional funds being confirmed as part of PIP finding and opening suitable new premises in the near future.

#### **FINANCIAL REVIEW**

Whilst total income has reduced by 1.5% to £1,188,255 (2018-19: £1,206,727), we are pleased to report that a significant increase in income from charitable activities of 21.2% to £832,311 (2018-19: £686,937). This is primarily student income from local authorities and the increase is a combination of increased activity and price increases. This increase has offset the decline in voluntary income, which has dropped by 31.7% to £354,793 (2018-19: £519,790) primarily due to the decreased fundraising and grant award activity for our planned Beanstalk expansion project.

Total expenditure has decreased by 1.4% to £1,062,352 (2018-19: £1,077,875) with the rise in staff costs associated with the increased student activity being offset by savings elsewhere.

The surplus for the year of £125,903 compares with the 2018-19 figure of £128,852.

---

## **PURSUING INDEPENDENT PATHS**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

#### ***FOR THE YEAR ENDED 31 MARCH 2020***

---

In March 2016, the trustees created a designated fund to fund a detailed piece of work to determine the viability of and, if appropriate, create a plan for expansion. The balance on this fund was spent during the year and a plan for expansion has now been finalised.

As at 31 March 2020, PIP held total unrestricted funds of £318,932 (2018-19: £207,019). This leaves £321,535 (2018-19: £307,545) in restricted reserves. As noted in the Reserves section below, general reserves remain below policy levels, however, the budget for 2020/21 has been set so as to support the replenishment of general reserves levels.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing document**

Pursuing Independent Paths (PIP) is a charitable company limited by guarantee governed by its Memorandum and Articles of Association dated 9 November 2000 as amended on 20 September 2015. It is registered as a charity with the Charity Commission.

PIP was established in 1984 as a charitable trust (originally called the Paddington Integration Project). It changed its name on incorporation to indicate its activities were no longer solely based in Paddington.

#### **Directors and trustees**

The directors of the charitable company (charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Trustees	Christopher Allchin (resigned 30 September 2019) Mark Barrie (appointed 24 September 2019) Francesca Carbonaro David Fletcher (appointed 12 February 2020) John Leach (Chair) Timothy Matthews Daniel Wakerley Judith Wilcox (appointed 15 May 2019)
Secretary	Timothy Matthews
Chief Executive	Bill Feeney (to 25 October 2019) Denise Largin (from 6 July 2020)

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

## **PURSUING INDEPENDENT PATHS**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

***FOR THE YEAR ENDED 31 MARCH 2020***

---

#### **Appointment of trustees**

Unless otherwise determined by a General Meeting the number of trustees shall be no less than three and a maximum of fifteen.

In accordance with the Articles of Association, trustees are appointed at a General Meeting for a term of three years with the possibility of being renewed for a further three years. To date, PIP has recruited trustees by targeting people with the professional skills that it considers will add value and strength to the organisation.

#### **Trustee induction and training**

New trustees undergo induction to brief them on their legal obligations under charity and company law and the Charity Commission guidance on public benefit and to inform them of the content of the Memorandum and Articles of Association, decision making processes, the strategic plan and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

#### **Organisation**

The Board normally meets six times a year and trustees are responsible for setting and monitoring the strategic direction, managing and supporting the Chief Executive and ensuring that the charity meets its charitable objectives by using the best possible practice and financial prudence. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters.

Management Committee meetings are held twice a year and are attended by trustees, all staff and service user representatives. These meetings provide an opportunity for staff and service users to present and discuss current programmes and issues.

In 2019, a Finance Committee comprising two trustees, the Chief Executive and Finance Manager was set up to review management and statutory financial statements, budgets and forecasts prior to board and annual general meetings.

#### **Remuneration policy for senior staff**

The trustees consider that the board of trustees, the Chief Executive, the Fundraising and Communications Manager, the Finance Manager, and the Service Manager comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

All trustees give of their time freely and no trustee received remuneration in the year.

The base salaries of the Chief Executive and Senior Management Team are reviewed every three years (or sooner in exceptional circumstances) with the review taking into account benchmark data. Discretionary bonuses may be paid at the discretion of the Board, where there is clear evidence that they individually and PIP collectively have exceeded key targets and where PIP has the cash resources to do this.



## **PURSUING INDEPENDENT PATHS**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

***FOR THE YEAR ENDED 31 MARCH 2020***

---

#### **Public benefit**

The trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

The trustees have considered the objectives and activities, together with the achievements and performance, reported separately and have concluded that:

- The aims of the organisation continue to be charitable; and
- The aims and the work done to give identifiable benefits to the charitable sector and both directly and indirectly to individuals and need; and
- The benefits are for the public and not unreasonably restricted in any way and certainly not by ability to pay; and
- There is no detriment or harm arising from the aims or activities

#### **KEY RISKS AND UNCERTAINTIES**

PIP's Chief Executive regularly updates and advises the Board in respect of the key risk areas of students and staff safety and financial performance. During 2019-20 the Board approved a number of appointments and changes of role which were designed to strengthen the capacity and functioning of the management team. These included the recruitment of a CEO with deep experience in the sector and a permanent Fundraising Manager; the promotion of the Services Manager to Head of Services and Development (with a remit to lead on securing a new home for the organisation) with internal promotions to fill vacated roles; and the expansion of both the Finance and HR/Facilities roles.

At the end of March 2020 and following consultation with local authority commissioners, Westminster City Council (WCC) and Royal Borough of Kensington and Chelsea (RBKC) and other 'key stakeholders', PIP took the step of closing its W9 and SW1 centres and temporarily ceasing physical delivery of services to protect the health and wellbeing of both students and staff. Within a few weeks an online programme of delivery involving 25 sessions per week had been devised and was delivered throughout the lockdown period with additional sessions set up to support families and carers. The Board would like to thank the staff team for all the hard work and agility they showed in designing and implementing this new service and to Rick Jensen for leading the team throughout this first lock down period.

We have kept in close contact with WCC and RBKC throughout lockdown and as we restart physical delivery and they have maintained support at pre-lockdown levels. We have worked hard to replace lost income from challenge events such as the London Marathon which did not take place and are most grateful to existing and new funders for the flexibility and support they have shown over the past few months.

We took the decision not to furlough a significant number of staff so that we could maintain the quality of support to our students and in the year to date have been able to offset reductions in income with savings through online delivery such as savings on utilities at our centres which has allowed us to protect our reserves position.

## **PURSuing INDEPENDENT PATHS**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

#### ***FOR THE YEAR ENDED 31 MARCH 2020***

---

At the time of writing there is significant uncertainty about how our delivery will be affected by the pandemic. With this in mind we have reviewed cashflows for the next 12 months and are satisfied that appropriate reserves and income generation activities are in place.

#### **PLANS FOR FUTURE PERIODS**

Many of PIP's students (and their families) continue to value the support and development provided. There is also an increasing demand locally for the services that PIP provides. This combination of continuing support for current students and the demand for new student placements means that PIP has now outgrown its current facilities and meeting the challenge set in the previous strategic plan of maximising the use of our current accommodation has been surpassed.

Equally the Board is conscious that PIP needs to ensure that it regularly reviews and refreshes the services it offers students to reflect the changing needs and aspirations of our students and to deliver up to date best practice.

Two years ago, Trustees reported that the Board had initiated a review of its strategic plan to assess what changes were needed and the options available for expanding the service portfolio and accommodation. This review was assisted by advice from expert external consultants and extensive fieldwork to research current practice in other organisations. The review concluded that there was a strong and continuing demand for PIPs services locally and that PIP should look both to expand its physical capacity and to offer students a wider range of services to enhance their life and employability skills. In looking for expanded premises, PIP would also seek to improve accessibility for students.

In 2018, PIP launched a major fundraising drive, and an associated search for appropriate premises, under the banner of the "Beanstalk Campaign" with the aim of raising sufficient funds to support the acquisition and fit out of new premises and to underpin additional running costs for 2-3 years. Further progress was made against fundraising objectives in 2019-20 enabling us to actively pursue new premises. With this in mind a number of financial scenarios have been created and analysed, and there is now in place a detailed model which can be used for future proposals.

The Beanstalk campaign continues, and any formal proposals from management will be subject to detailed risk assessment and assurance that PIP will be able to sustain the new service ambitions.

#### **RESERVES POLICY AND GOING CONCERN**

The trustees review PIP's reserves policy annually, balancing the need to hold back sufficient general reserves to protect its charitable objectives with the objective of maximising the funding available for those activities. The trustees have noted the current reserves position and have put in place plans to ensure adequate levels in the coming years.

The trustees have agreed the policy that general reserves should comprise two elements:

- A working capital reserve equal to three months' average student income for the year. The requirement for 31 March 2020 is £208,078 (2018-19: £171,734)
- An income shortfall reserve of 15% of total standard service income. The requirement for 31 March 2020 is £157,350 (2018-19: £140,341)

## PURSUING INDEPENDENT PATHS

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 MARCH 2020**

---

The general reserves requirement for the current year is therefore £365,428 in total (2018-19: £310,560). Current general reserves levels (excluding designated funds) are £318,932 (2018-19: £200,051). This indicates a current shortfall in general reserves requirement of £46,496 (2018-19: £110,509). The trustees have instigated an action plan to eliminate this deficit by the end of 2020-21.

Please note that the income shortfall reserve has been further clarified as standard service income shortfall reserve. This excludes expansion initiative income which is managed in the restricted reserves category.

#### STATEMENT AS TO DISCLOSURE TO THE AUDITOR

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- the trustees, having made enquiries of fellow trustees and the auditor, have each taken all steps that he/she is obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees



John Leach (Chair)

Date: 20/01/2021

## **PURSuing INDEPENDENT PATHS**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

#### ***FOR THE YEAR ENDED 31 MARCH 2020***

---

The trustees, who are also the directors of Pursuing Independent Paths for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# PURSUING INDEPENDENT PATHS

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF PURSUING INDEPENDENT PATHS

---

#### Opinion

We have audited the financial statements of Pursuing Independent Paths (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 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 charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

#### Other information

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

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

# PURSUING INDEPENDENT PATHS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF PURSUING INDEPENDENT PATHS

---

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

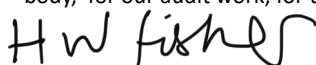
#### Auditor's responsibilities for the audit of the financial statements

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

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

#### 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. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Andrew Rich (Senior Statutory Auditor)**  
for and on behalf of HW Fisher

#### Chartered Accountants

##### Statutory Auditor

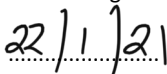
##### Acre House

11-15 William Road

London

NW1 3ER

United Kingdom



## PURSUING INDEPENDENT PATHS

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2020**

#### Current financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
	Notes					
<b>Income from:</b>						
Donations and legacies	3	94,337	-	260,456	354,793	519,790
Income from charitable activities	4	832,311	-	-	832,311	686,937
Investments	5	1,151	-	-	1,151	-
<b>Total income</b>		927,799	-	260,456	1,188,255	1,206,727
<b>Expenditure on:</b>						
Raising funds	6	141,049	-	-	141,049	75,163
Charitable activities	7	666,419	6,968	246,466	919,853	1,002,712
Other expenditure	11	1,450	-	-	1,450	-
<b>Total resources expended</b>		808,918	6,968	246,466	1,062,352	1,077,875
<b>Net income for the year/ Net movement in funds</b>		118,881	(6,968)	13,990	125,903	128,852
Fund balances at 1 April 2019		200,051	6,968	307,545	514,564	385,712
<b>Fund balances at 31 March 2020</b>		318,932	-	321,535	640,467	514,564

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

## PURSUING INDEPENDENT PATHS

### STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2020**

Prior financial year

		Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes				
<b>Income from:</b>					
Donations and legacies	3	128,186	-	391,604	519,790
Income from charitable activities	4	686,937	-	-	686,937
<b>Total income</b>		815,123	-	391,604	1,206,727
<b>Expenditure on:</b>					
Raising funds	6	75,163	-	-	75,163
Charitable activities	7	829,318	69,265	104,129	1,002,712
<b>Total resources expended</b>		904,481	69,265	104,129	1,077,875
<b>Net income for the year/ Net movement in funds</b>		(89,358)	(69,265)	287,475	128,852
Fund balances at 1 April 2018		289,409	76,233	20,070	385,712
<b>Fund balances at 31 March 2019</b>		200,051	6,968	307,545	514,564

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.



# PURSUING INDEPENDENT PATHS

## BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	12		18,716		26,710
<b>Current assets</b>					
Debtors	13	67,438		138,232	
Cash at bank and in hand		612,225		405,425	
		<u>679,663</u>		<u>543,657</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(57,912)</u>		<u>(55,803)</u>	
Net current assets			621,751		487,854
<b>Total assets less current liabilities</b>			<u>640,467</u>		<u>514,564</u>
<b>Income funds</b>					
Restricted funds	15		321,535		307,545
Unrestricted funds - designated	16		-		6,968
Unrestricted funds - general			318,932		200,051
			<u>640,467</u>		<u>514,564</u>

The financial statements were approved by the Trustees on 20/01/2021

*John Leach*

J Leach

Trustee

Company Registration No. 04107226

Charity Registration No. 1088592

## PURSuing INDEPENDENT PATHS

### STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2020**

		2020		2019	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20		205,649		212,871
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(646)	
Interest received		1,151		-	
<b>Net cash generated from/(used in) investing activities</b>			1,151		(646)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			206,800		212,225
Cash and cash equivalents at beginning of year			405,425		193,200
<b>Cash and cash equivalents at end of year</b>			612,225		405,425

# PURSUING INDEPENDENT PATHS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2020

---

#### 1 Accounting policies

##### Charity information

Pursuing Independent Paths is a private company limited by guarantee incorporated in England and Wales. The registered office is 4E Warwick Court, Shirland Mews, London, W9 3DY.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

The Trustees have considered the effect of the Covid-19 outbreak, that has been spreading throughout the world during 2020, on the charity's activities. There has been a significant impact on the operations of the charity. At the end of March 2020 the charity took the step of closing its W9 and SW1 centres, temporarily ceasing physical delivery of services to protect the health and wellbeing of both students and staff. An online programme of delivery was devised and was delivered throughout the lockdown period and beyond. There remains significant uncertainty about how ongoing delivery will be affected by the pandemic.

Local councils have maintained support at pre-lockdown levels and the charity has worked hard to replace lost income from challenge which did not take place. In the year to date income reductions have been offset with savings through online delivery which has allowed the charity to protect the reserves position. Management have reviewed cashflows for the next 12 months and are satisfied that appropriate reserves and income generation activities are in place.

Thus at the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds are subject to specific conditions set by the trustees upon the transfer of unrestricted funds to designated funds.

##### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

# PURSuing INDEPENDENT PATHS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

---

#### 1 Accounting policies

(Continued)

##### 1.5 Resources expended

Liabilities are recognised as expenditure once there is a legal or constructive obligation committing the charity to that expenditure, 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.

Direct charitable expenditure comprises all the expenditure relating to the activities carried out to achieve the charitable objective.

Support costs represent costs that cannot be directly attributed to activities.

Governance costs include the costs of statutory audit and other costs related to the governance of the charity.

Support and governance costs have been allocated to the single charitable activity "Supporting Adults with Learning Difficulties".

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Furniture and equipment	15%-25% reducing balance
-------------------------	--------------------------

Expenditure for furniture which exceeds £2,000 is capitalised.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

##### 1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

##### 1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

#### 2 Critical accounting estimates and judgements

Trustees do not believe there to be any critical estimates or judgements in the financial statements.

## PURSuing INDEPENDENT PATHS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 3 Donations and legacies

	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £	Restricted funds 2019 £	Total 2019 £
Donations and gifts	94,337	260,456	354,793	128,186	391,604	519,790

#### 4 Income from charitable activities

	Supporting people with learning difficulties 2020 £	Supporting people with learning difficulties 2019 £
Special projects	3,801	6,061
Local authority personal budgets	828,510	680,876
	832,311	686,937

#### 5 Investments

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Interest receivable	1,151	-

#### 6 Raising funds

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
<u>Costs of generating voluntary income</u>		
Other fundraising costs	82,147	20,478
Staff costs	58,902	54,685
Costs of generating voluntary income	141,049	75,163

## PURSuing INDEPENDENT PATHS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

#### 7 Charitable activities

All charitable activities relate to supporting adults with learning difficulties.

	Ongoing services 2020 £	Business development 2020 £	Total 2020 £	Ongoing services 2019 £	Business development 2019 £	Total 2019 £
Staff costs	471,217	65,448	536,665	437,479	60,761	498,240
Depreciation and impairment	5,584	320	5,904	5,125	233	5,358
Rent, utilities & rates	67,303	3,059	70,362	67,869	3,085	70,954
Recruitment & Training	32,431	4,504	36,935	21,928	3,046	24,974
Activities & Events	54,484	-	54,484	97,074	-	97,074
Business Development Staffing	-	40,800	40,800	-	94,765	94,765
Travel	15,167	654	15,821	20,796	894	21,690
Repairs & renewals	6,705	305	7,010	10,522	478	11,000
Cleaning	14,017	637	14,654	10,209	464	10,673
Mobile & Telephone	7,428	338	7,766	7,987	363	8,350
Computer Expenses	12,677	576	13,253	11,803	536	12,339
Office Equipment	2,798	127	2,925	5,058	230	5,288
Insurance	6,847	311	7,158	6,385	290	6,675
Books, stationary & postage	2,793	127	2,920	4,234	193	4,427
Equipment Lease	3,416	155	3,571	3,573	163	3,736
Sundry Expenses	3,839	175	4,014	4,799	218	5,017
	<u>706,706</u>	<u>117,536</u>	<u>824,242</u>	<u>714,841</u>	<u>165,719</u>	<u>880,560</u>
Share of support costs (see note 8)	67,524	-	67,524	103,006	-	103,006
Share of governance costs (see note 8)	28,087	-	28,087	19,146	-	19,146
	<u>802,317</u>	<u>117,536</u>	<u>919,853</u>	<u>836,993</u>	<u>165,719</u>	<u>1,002,712</u>
<b>Analysis by fund</b>						
Unrestricted funds - general	589,683	76,736	666,419	732,864	96,454	829,318
Unrestricted funds - designated	-	6,968	6,968	-	69,265	69,265
Restricted funds	212,634	33,832	246,466	104,129	-	104,129
	<u>802,317</u>	<u>117,536</u>	<u>919,853</u>	<u>836,993</u>	<u>165,719</u>	<u>1,002,712</u>

## PURSUING INDEPENDENT PATHS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

#### 8 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	45,813	13,089	58,902	42,533	12,152	54,685
Depreciation	640	-	640	466	-	466
Bad debt expense	-	-	-	6,822	-	6,822
Rent, utilities & rates	6,118	-	6,118	6,170	-	6,170
Recruitment & training	3,153	-	3,153	2,132	609	2,741
Accountancy Fees	-	-	-	25,970	-	25,970
Travel	1,308	-	1,308	1,789	-	1,789
Repairs & renewals	1,884	-	1,884	957	-	957
Cleaning	1,700	-	1,700	928	-	928
Mobile & Telephone	3,166	-	3,166	726	-	726
Computer Expenses	2,081	-	2,081	1,072	-	1,072
Advertising	125	-	125	11,255	-	11,255
Other	1,536	3,458	4,994	2,186	248	2,434
Audit fees	-	11,540	11,540	-	6,137	6,137
	<u>67,524</u>	<u>28,087</u>	<u>95,611</u>	<u>103,006</u>	<u>19,146</u>	<u>122,152</u>
Analysed between						
Charitable activities	<u>67,524</u>	<u>28,087</u>	<u>95,611</u>	<u>103,006</u>	<u>19,146</u>	<u>122,152</u>

Governance costs include payments to the auditors of £11,540 (2019: £6,137) for audit fees and £2,398 (2019: £nil) for other services.

#### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity. No trustees were reimbursed any expenses during the year.

# PURSuing INDEPENDENT PATHS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 10 Employees

##### Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Supporting people with learning difficulties	23	20

##### Employment costs

	2020 £	2019 £
Wages and salaries	588,671	534,631
Social security costs	49,083	48,331
Other pension costs	16,715	24,648
	654,469	607,610

There was 1 employee whose annual remuneration was between £60,000 - £69,999 (2019: 1).

Remuneration for key management staff in the year was £185,292 (2019: £164,162).

During the year there were termination payments totalling £30,000. These were paid in full in the year and are included in Wages and Salaries.

#### 11 Other expenditure

	Unrestricted funds	Total
	2020 general £	2019 £
Loss on disposal of tangible fixed assets	1,450	-



## PURSuing INDEPENDENT PATHS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

#### 12 Tangible fixed assets

	Furniture and equipment £
<b>Cost</b>	
At 1 April 2019	100,742
Disposals	(46,201)
	<hr/>
At 31 March 2020	54,541
	<hr/>
<b>Depreciation and impairment</b>	
At 1 April 2019	74,032
Depreciation charged in the year	6,544
Eliminated in respect of disposals	(44,751)
	<hr/>
At 31 March 2020	35,825
	<hr/>
<b>Carrying amount</b>	
At 31 March 2020	18,716
	<hr/> <hr/>
At 31 March 2019	26,710
	<hr/> <hr/>

#### 13 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Other debtors	29,256	109,606
Prepayments and accrued income	38,182	28,626
	<hr/>	<hr/>
	67,438	138,232
	<hr/> <hr/>	<hr/> <hr/>

#### 14 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	12,353	13,310
Other creditors	33,617	17,840
Accruals and deferred income	11,942	24,653
	<hr/>	<hr/>
	57,912	55,803
	<hr/> <hr/>	<hr/> <hr/>

## PURSuing INDEPENDENT PATHS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

#### 15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2018	Incoming resources	Resources expended	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 31 March 2020
	£	£	£	£	£	£	£
Santander Foundation	-	4,927	(4,927)	-	-	-	-
City Bridge	-	24,300	(24,300)	-	38,950	(38,950)	-
St.James Place	10,070	32,500	(31,145)	11,425	-	(11,425)	-
Mercer's	-	9,000	(9,000)	-	-	-	-
Garfield Weston	-	30,000	(15,000)	15,000	-	(15,000)	-
Sobell Foundation	-	6,000	(6,000)	-	-	-	-
Ernest Cook Trust	-	5,757	(5,757)	-	-	-	-
Leathersellers' Company	-	5,000	(5,000)	-	-	-	-
Masonic Charitable Foundation	-	3,000	(3,000)	-	-	-	-
Beanstalk Funds	10,000	271,120	-	281,120	84,506	(98,841)	266,784
Edward Gosling	-	-	-	-	20,000	(20,000)	-
Landsec	-	-	-	-	8,000	(8,000)	-
John Lyons	-	-	-	-	25,000	(6,250)	18,750
Bailly Thomas	-	-	-	-	5,000	(5,000)	-
Westminster	-	-	-	-	7,000	(7,000)	-
Bowmark	-	-	-	-	72,000	(36,000)	36,000
	<u>20,070</u>	<u>391,604</u>	<u>(104,129)</u>	<u>307,545</u>	<u>260,456</u>	<u>(246,466)</u>	<u>321,535</u>

**City Bridge Trust** - provided a grant for the PIP Performing Arts Project which allows for the provision of drama and theatre activities, dance and digital media.

**St James's Place Charitable Foundation** - a grant provided towards educational service at the W9 centre.

**Garfield Weston Foundation** - a grant provided towards educational service at the W9 centre.

**Beanstalk (expansion programme)** - the Beanstalk programme is an initiative designed to broaden the range of services and number of students reached by PIP.

**The Edward Gostling foundation** - restricted for running costs of sessions held at W9. Sessions include: Creative Arts, Sport, Health, Identity and Advocacy and Fruitful and healthy eating.

**LandSec** – a grant restricted for Fruitful and Employment Group activities.

**John Lyon's Charity** - a grant towards training and employability services for under 30 year olds.

**Bailly Thomas Charitable Fund** – restricted for running sessions at W9 centre for students aged 18-30 years old.

**Westminster Amalgamated fund** – restricted for Employment Group activities.

**Bowmark** - a grant provided to fund Fruitful and employment Sessions.

## PURSUING INDEPENDENT PATHS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

---

#### 16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2018 £	Resources expended £	Balance at 1 April 2019 £	Resources expended £	Balance at 31 March 2020 £
Strategic analysis fund	76,233	(69,265)	6,968	(6,968)	-
	<u>76,233</u>	<u>(69,265)</u>	<u>6,968</u>	<u>(6,968)</u>	<u>-</u>

The strategic analysis fund is to create and deliver a plan for service expansion.

## PURSUIING INDEPENDENT PATHS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

##### 17 Analysis of net assets between funds

	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Designated funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:								
Tangible assets	18,716	-	-	18,716	26,710	-	-	26,710
Current assets/(liabilities)	300,216	-	321,535	621,751	173,341	6,968	307,545	487,854
	<u>318,932</u>	<u>-</u>	<u>321,535</u>	<u>640,467</u>	<u>200,051</u>	<u>6,968</u>	<u>307,545</u>	<u>514,564</u>

## PURSUING INDEPENDENT PATHS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

#### 18 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	74,800	75,040
Between two and five years	296,896	298,696
In over five years	-	71,704
	<u>371,696</u>	<u>445,440</u>

#### 19 Related party transactions

There were no related party transactions during the year (2019: none).

#### 20 Cash generated from operations

	2020 £	2019 £
Surplus for the year	125,903	128,852
Adjustments for:		
Investment income recognised in statement of financial activities	(1,151)	-
Loss on disposal of tangible fixed assets	1,450	-
Depreciation and impairment of tangible fixed assets	6,544	5,824
Movements in working capital:		
Decrease in debtors	70,794	73,032
Increase in creditors	2,109	13,263
(Decrease) in deferred income	-	(8,100)
<b>Cash generated from operations</b>	<u>205,649</u>	<u>212,871</u>

#### 21 Analysis of changes in net funds

The charity had no debt during the year.