

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 2016

PURSUING INDEPENDENT PATHS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	D Fletcher M Locke J Leach F Carbonaro T Matthews C. Allchin
Secretary	D Fletcher
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	H W Fisher & Company Acre House 11-15 William Road London United Kingdom NW1 3ER
Bankers	Unity Trust Bank Nine Brindleyplace Birmingham B1 2HB

PURSUING INDEPENDENT PATHS

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PURSUING INDEPENDENT PATHS TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

LEGAL AND ADMINISTRATIVE INFORMATION

The trustees present their annual trustees' report together with the financial statements of the charity for the year ending 31 March 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, 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 2015).

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	Chris Allchin Francesca Carbonaro David Fletcher (Treasurer) John Leach Mike Locke Tim Matthews (Chair)
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Secretary	David Fletcher
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Chief Executive	Bill Feeney
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None of the trustees has 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.

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.

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 quarterly 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 quarterly 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.

Remuneration policy for senior staff

The trustees consider that the board of trustees and the Chief Executive 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. Details of trustee expenses and related party transactions are disclosed in Note 9 to the accounts.

The pay of the Chief Executive is reviewed annually and any increase awarded comprises both inflation and performance elements. The trustees benchmark against pay levels of organisations in the same sector of a similar size with the benchmark being the mid-point of the range adjusted for a weighting of up to 30% for any additional responsibilities.

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

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 2015-16 36 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 2015-16 11 service users attended sessions at PIP SW1, the majority of which did not contribute personal budgets, as they fall outside of eligibility criteria.
- **PIP Community Development Project.** This service works intensively on a one – to – one basis with 6 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. In 2015-16 14 PIP students used this service [with constant demand to increase].

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 is reviewed regularly and a formal review is conducted involving all parties at least once each year.

PIP also has in place a real time monitoring system to assess students' progress in achieving goals on a weekly basis. This is an active tool used by the assigned PIP development worker to discuss progress with students and tailor individual programs to meet their needs.

Representatives of students attend quarterly 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

In March 2015 PIP's Board of Trustees agreed a new 3 year plan. The plan took account of the move away from commissioned services by local authorities to financial support for students based on personal budgets; and of the need for PIP to make use of the additional space it had acquired in W9 to provide a wider range of services to a larger number of students.

The Board agreed the following for principles in guiding services for the next 3 years:

- To maintain a focus on the core Moderate and Severe learning disability student population in (West) London
- To maximise utilisation of W9 capacity and community outreach before considering further expansion
- To continue to operate an integrated service offering within W9.
- To explore further expansion of facilities during the planning cycle if PIP was filling its current capacity, if there was a clear demand for additional services and if an expansion plan was financially viable.

This allowed PIP's Board to set the following strategic objectives for the 3 years to 2017-18:

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

Performance for the first year of the plan has been strong and successful, in particular:

- Revised arrangements have been put in place with local authorities to ensure that personal budget payments are in line with the hours of support agreed by their case managers. This now provides an important degree of stability in PIPs income.
- Student numbers and hours increased at PIP W9 and in PIP Community Development, with both new service users and increases in current student hours.
- A new development worker post was established to support additional students and approval made for a further expansion of staffing in 2016-17.
- A new senior Fundraising and Communications Manager was appointed to lead a major drive to consolidate and grow PIP's fundraising and profile
- PIP's finances are healthy

FUNDRAISING

In 2015-16 PIP raised £85,093 through fundraising activities, net of spending £74,460. As in recent years the main focus of fundraising has been the annual mountain bike challenge. This alone generated a net contribution of £28,113. There has also been an increased focus on fundraising and support from corporate organisations both in terms of financial contributions and provision of pro bono services.

FINANCIAL REVIEW

We are delighted to report that the first full year for the increased number of student sessions, made possible by the additional space created by the expansion into the neighbouring premises, has driven a 21.6% increase in total income to £676,284 (2015: £556,226). Voluntary income has again risen, this year by 4.2% to £95,093 (2015: £91,297). Income from charitable activities has risen by 25% to £580,911 (2015: £464,633) with restricted grant income up by 17.9% to £147,524 (2015: £125,169) and student income from local authorities up by 27.7% to £433,387 (2015: £339,464).

The additional costs required to support the increase in student sessions has driven a 13.4% increase in total expenditure to £633,620 (2015: £558,585).

As at 31 March 2015, PIP held total unrestricted funds of £251,657. The trustees have agreed to transfer £50,000 to a designated fund to fund a detailed piece of work to determine the viability of and, if appropriate, create and deliver a plan for expansion, leaving £201,657 in general reserves, representing 3.8 months' of total expenditure which is in line with the reserves policy.

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. However the Board recognises the need to put in place more systematic risk management appropriate to the scale and type of PIP's operations.

This will focus on the areas of:

- Student safety and security
- Staff safety and security
- Reputational risk
- Financial risk
- Data protection

The Board aims to have this system in place and approved in early 2017.

PLANS FOR FUTURE PERIODS

In the light of a very successful year, the continuing strength and popularity of its service offer to students, families and local authorities and its strong financial position, the PIP Board has agreed to bring forward into 2016-17 a review of how it should now grow its services over the next 3-5 years, including any options for expanding facilities or premises. The Board has transferred £50k from general reserves to support the strategic analysis, research and action that will be needed, which the Board would aim to complete by the end of 2016-17.

RESERVES POLICY AND GOING CONCERN

The trustees have examined PIP's requirement for reserves in light of the main risks to the organisation and have established a policy whereby total unrestricted funds should be between three and six months' of total expenditure.

The reserves are needed to meet PIP's working capital requirements and the trustees are confident that, at this level, they would be able to continue the current activities in the event of a significant short-term drop in funding.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees (who are also the directors of PIP for the purpose of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to the auditors

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 directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director 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

C Allchin (Trustee)

Date: 26/09/2016

PURSUING INDEPENDENT PATHS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PURSUING INDEPENDENT PATHS

We have audited the financial statements of Pursuing Independent Paths for the year ended 31 March 2016 set out on pages 8 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 5, the trustees, who are also the directors of Pursuing Independent Paths for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

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

We have nothing to report in respect of the following matters where 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 accounts 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.

Andrew Rich (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
NW1 3ER
United Kingdom

30 September 2016

PURSUING INDEPENDENT PATHS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2016

		Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total 2016 £	Total 2015 £
	Notes					
<u>Income from:</u>						
Donations and legacies	3	95,093	-	-	95,093	91,297
Income from charitable activities	4	433,387	-	147,524	580,911	464,633
Investments	5	280	-	-	280	296
Total income		528,760	-	147,524	676,284	556,226
<u>Expenditure on:</u>						
Raising funds	6	10,267	-	-	10,267	7,073
Charitable activities	7	475,829	-	147,524	623,353	551,512
Total expenditure		486,096	-	147,524	633,620	558,585
Net income/(expenditure)		42,664	-	-	42,664	(2,359)
Gross transfers between funds		(50,000)	50,000	-	-	-
Net expenditure for the year/ Net movement in funds		(7,336)	50,000	-	42,664	(2,359)
Fund balances at 1 April 2015		208,993	-	-	208,993	211,352
Fund balances at 31 March 2016		201,657	50,000	-	251,657	208,993

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 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11		18,066		17,546
Current assets					
Debtors	13	130,084		53,308	
Cash at bank and in hand		177,085		208,912	
		<u>307,169</u>		<u>262,220</u>	
Creditors: amounts falling due within one year	14	<u>(73,578)</u>		<u>(70,773)</u>	
Net current assets			233,591		191,447
Total assets less current liabilities			<u>251,657</u>		<u>208,993</u>
Income funds					
Unrestricted funds - designated	16		50,000		-
Unrestricted funds - general			201,657		208,993
			<u>251,657</u>		<u>208,993</u>

The accounts were approved by the Trustees on 21 September 2016

D Fletcher
Trustee

Company Registration No. 04107226

PURSUING INDEPENDENT PATHS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	20		(25,740)		48,683
Investing activities					
Purchase of tangible fixed assets		(6,367)		(7,478)	
Interest received		280		296	
		<hr/>		<hr/>	
Net cash used in investing activities			(6,087)		(7,182)
Net cash used in financing activities			<hr/> -		<hr/> -
Net (decrease)/increase in cash and cash equivalents			(31,827)		41,501
Cash and cash equivalents at beginning of year			<hr/> 208,912		<hr/> 167,411
Cash and cash equivalents at end of year			<hr/> <hr/> 177,085		<hr/> <hr/> 208,912

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company 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

These accounts have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”), “Accounting and Reporting by Charities” the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

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

The accounts have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 March 2016 are the first accounts of Pursuing Independent Paths prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, 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 accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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 accounts.

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 or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

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. All expenses, including support costs and governance costs, are allocated to the one charitable activity in the statement of financial activities.

1.6 Tangible fixed assets

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

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

Furniture and equipment	15%-25% reducing balance
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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 Impairment of fixed assets

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

PURSuing INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.9 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.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 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.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

3 Donations and legacies

	2016	2015
	£	£
Donations and gifts	85,093	81,297
Grants receivable for core activities	10,000	10,000
	<u>95,093</u>	<u>91,297</u>

All donations and grants in 2016 and 2015 were unrestricted.

4 Income from charitable activities

	2016	2015
	£	£
Special projects	147,524	125,169
Local authority personal budgets	338,274	274,257
Spot contracts	95,113	65,207
	<u>580,911</u>	<u>464,633</u>

Analysis by fund	
Unrestricted funds - general	433,387
Restricted funds	147,524
	<u>580,911</u>

For the year ended 31 March 2015

Unrestricted funds - general	339,464
Restricted funds	125,169
	<u>464,633</u>

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

5 Investments

	2016	2015
	£	£
Interest receivable	280	296
	<u>280</u>	<u>296</u>

All investment income in 2016 and 2015 was unrestricted.

6 Raising funds

	2016	2015
	£	£
<u>Costs of generating voluntary income</u>		
Other fundraising costs	10,267	7,073
	<u>10,267</u>	<u>7,073</u>
For the year ended 31 March 2015		
Costs of generating voluntary income		7,073
		<u>7,073</u>

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

7 Charitable activities

	2016 £	2015 £
Staff costs	385,241	359,893
Rent and rates	71,658	52,724
Recruitment and training costs	23,230	26,062
	<u>480,129</u>	<u>438,679</u>
Share of support costs (see note 8)	131,303	101,646
Share of governance costs (see note 8)	11,921	11,187
	<u>623,353</u>	<u>551,512</u>
Analysis by fund		
Unrestricted funds - general	475,829	
Restricted funds	147,524	
	<u>623,353</u>	
For the year ended 31 March 2015		
Unrestricted funds - general		426,343
Restricted funds		125,169
		<u>551,512</u>

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

8 Support costs

	Support costs	Governance costs	2016	2015
	£	£	£	£
Depreciation	5,847	-	5,847	5,645
Insurance	5,260	-	5,260	5,279
Repairs and renewals	16,361	-	16,361	11,247
Books, stationery and postage	7,359	-	7,359	6,934
Telephone	8,179	-	8,179	8,709
Travel	34,627	-	34,627	29,473
Sundry expenses	497	-	497	396
Equipment lease	2,078	-	2,078	1,321
Computer expenses	950	-	950	5,419
Advertising	21,225	-	21,225	4,775
Office equipment	716	-	716	-
Bank charges	388	-	388	459
Consultancy	27,816	-	27,816	21,989
Audit and accountancy fees	-	11,921	11,921	11,187
	<u>131,303</u>	<u>11,921</u>	<u>143,224</u>	<u>112,833</u>
Analysed between				
Charitable activities	<u>131,303</u>	<u>11,921</u>	<u>143,224</u>	<u>112,833</u>

Governance costs include payments to the auditors of £5,400 (2015: £5,767) for audit fees and £3,362 (2015: £3,519) for other services.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

10 Employees

Number of employees

The average monthly number employees during the year was:

	2016 Number	2015 Number
Supporting people with learning difficulties	11	11

Employment costs

	£	£
Wages and salaries	356,799	333,594
Social security costs	23,653	22,492
Other pension costs	4,789	3,807
	385,241	359,893

There were no employees whose annual remuneration was £60,000 or more.

Remuneration for key management staff in the year was £53,025 (2015:£50,125).

11 Tangible fixed assets

	Furniture and equipment £
Cost	
At 1 April 2015	66,939
Additions	6,367
At 31 March 2016	73,306
Depreciation and impairment	
At 1 April 2015	49,393
Depreciation charged in the year	5,847
At 31 March 2016	55,240
Carrying amount	
At 31 March 2016	18,066
At 31 March 2015	17,546

All of the fixed assets are used for the charitable purposes and relate to unrestricted funds in 2016 and 2015.

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

12	Financial instruments	2016	2015
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	118,294	39,927
		<u></u>	<u></u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	70,192	64,163
		<u></u>	<u></u>
13	Debtors	2016	2015
		£	£
	Amounts falling due within one year:		
	Other debtors	118,294	39,927
	Prepayments and accrued income	11,790	13,381
		<u></u>	<u></u>
		130,084	53,308
		<u></u>	<u></u>
	All debtors in 2016 and 2015 relate to unrestricted funds.		
14	Creditors: amounts falling due within one year	2016	2015
		£	£
	Other taxation and social security	3,386	6,610
	Other creditors	27,843	13,867
	Accruals and deferred income	42,349	50,296
		<u></u>	<u></u>
		73,578	70,773
		<u></u>	<u></u>

All creditors in 2016 and 2015 relate to unrestricted funds.

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

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			
	Balance at 1 April 2015	Incoming resources	Resources expended	Balance at 31 March 2016
	£	£	£	£
City Bridge Trust	-	8,225	(8,225)	-
Allergan	-	6,484	(6,484)	-
The 29th May 1961 Charitable Trust	-	5,000	(5,000)	-
British Land	-	17,464	(17,464)	-
Big Lottery Fund	-	79,361	(79,361)	-
John Lyon's Charity	-	25,000	(25,000)	-
John Lyon's Charity	-	4,990	(4,990)	-
John Lewis Musical Matters	-	1,000	(1,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	147,524	(147,524)	-
	<hr/>	<hr/>	<hr/>	<hr/>

The Allergan Foundation grant is in support of funding opportunities for disabled adults to integrate with their communities.

The 29th May 1961 Charitable Trust is funding towards providing educational support to PIP's Literacy Programme

British Land Charity and Community Fund is towards the W9 training and education sessions for Learning Disabled adults.

The Big Lottery Fund, Reaching Communities funds the Health and Wellbeing Project, designed to increase the health and wellbeing of people with learning disabilities.

The John Lyon's Charity provide a grant towards the W9 Service: Day Centre Activities - a contribution towards running costs

The John Lyon's Charity also provide a smaller separate grant for the provision of leisure activities for adults with learning disabilities to interact with their communities.

The City Bridge Trust grant for the PIP Performing Arts Project is a grant towards the provision of drama and theatre activities, dance and digital media.

John Lewis Musical Matters is a grant to support musical activities, specifically the purchase of new instruments.

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

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:

	Movement in funds			
	Balance at 1 April 2015	Incoming resources	Resources expended	Transfers
	£	£	£	£
Strategic analysis fund	-	-	-	50,000
	-	-	-	50,000

The strategic analysis fund is to create and deliver a plan for service expansion. This project is expected to be completed by the end of March 2017.

17 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2016 are represented by:				
Tangible assets	18,066	-	-	18,066
Current assets/(liabilities)	183,591	50,000	-	233,591
	201,657	50,000	-	251,657

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:

	2016 £	2015 £
Within one year	73,078	52,078
Between two and five years	264,400	289,926
In over five years	151,444	198,997
	488,922	541,001

Net income in the year is stated after charging operating leases rentals land & buildings of £67,654 (2015: £49,500) and other assets of £12,078 (2015: £1,321).

19 Related party transactions

There were no related party transactions during the period.

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

20	Cash generated from operations	2016 £	2015 £
	Surplus/(deficit) for the year	42,664	(2,359)
	Adjustments for:		
	Investment income recognised in profit or loss	(280)	(296)
	Depreciation and impairment of tangible fixed assets	5,847	5,645
	Movements in working capital:		
	(Increase)/decrease in debtors	(76,776)	2,029
	Increase in creditors	2,805	43,664
	Cash (absorbed by)/generated from operations	<u>(25,740)</u>	<u>48,683</u>
