

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 2017

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

CONTENTS

	Page
Trustees' report	1 - 7
Independent auditor's report	8 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the accounts	13 - 23

**PURSuing INDEPENDENT PATHS
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017**

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 2017 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)
Secretary	David Fletcher
Chief Executive	Bill Feeney

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.

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 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.

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. Details of trustee expenses and related party transactions are disclosed in Note 19 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 2016-17 48 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 2016-17 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 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 is reviewed regularly and a formal review is conducted involving all parties at least once each year.

PIP's real time monitoring system 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.

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

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 effective use of the additional space it had acquired in W9 to provide a wider range of services to a larger number of students.

In 2015, the Board agreed the following for principles in guiding services through 2018:

- 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

During 2016-17 PIP has continued to build on the progress made in 2015-16 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.
- A new Service Manager was appointed and both the administrative and service functions were enhanced with additional appointments to cope with PIP's growing size, complexity and student numbers.

FUNDRAISING

In 2016-17 PIP raised £143,060 through fundraising activities. This significant increase reflects the appointment, in November 2015, of PIP's first ever Fundraising Manager. As in recent years the main focus of fundraising has been the annual mountain bike challenge. This alone generated a net contribution of £41,886. There has also been a further increase in 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 further increases in the number of student sessions, coupled with the large increase in donated and grant income, has driven a 33% increase in total income to £899,516 (2016: £676,284). Voluntary income has again risen, this year by 50.4% to £143,060 (2016: £95,093). Income from charitable activities has risen by 30.2% to £756,400 (2016: £580,911) with restricted grant income up by 42.1% to £209,676 (2016: £147,524) and student income from local authorities up by 24.4% to £539,224 (2016: £433,387).

The additional costs required, in particular, to support the increase in student sessions has driven a 24% increase in total expenditure to £786,455 (2016: £633,620).

At 31 March 2016, the trustees transferred £50,000 to a designated fund to fund a detailed piece of work to determine the viability of and, if appropriate, create a plan for expansion. Work has progressed more slowly than anticipated but an externally commissioned report, costing £9,974, has confirmed that expansion is viable and detailed project planning has now commenced. The trustees have agreed to transfer a further £68,861 to the designated fund to cover the cost of detailed project planning and some set-up costs for the new service. This work is expected to be completed during the forthcoming financial year.

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. The Board has recently approved the appointment of a senior finance manager (in post from April 2017) who will, in addition to core finance functions, now take the lead in developing more systematic risk management for key areas of operational, financial and reputational risk.

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

is at the point of soon outgrowing its current facilities and meeting the challenge set in the previous strategic plan of maximising the use of our current accommodation.

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.

During 2016-17 the Board therefore initiated an early review of its strategic plan to assess what changes we need to make and the options available for expanding our service portfolio and accommodation. This review was assisted by advice from expert external consultants and extensive fieldwork to research current practice in other organisations. This strategic review is ongoing and will be brought to a conclusion during 2017-18 with development options analysed and agreed.

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 agreed the policy that general reserves should comprise two elements:

- A working capital reserve equal to three months' average student income for the year
- An income shortfall reserve of 15% of total income for the year
- As at 31 March 2017, PIP held total unrestricted funds of £364,718, of which £108,887 is held in the designated expansion project fund. This leaves £255,831 in general reserves, which is in line with the new reserves policy agreed during the year.

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 the group 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

T Matthews (Chair)

Date: 10 October 2017

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 2017 set out on pages 10 to 23. 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 6, 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 2017 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, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

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

London

NW1 3ER

United Kingdom

26 October 2017

PURSUING INDEPENDENT PATHS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

		Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total 2017 £	Total 2016 £
	Notes					
<u>Income from:</u>						
Donations and legacies	3	143,060	-	-	143,060	95,093
Income from charitable activities	4	546,724	-	209,676	756,400	580,911
Investments	5	56	-	-	56	280
Total income		689,840	-	209,676	899,516	676,284
<u>Expenditure on:</u>						
Raising funds	6	18,044	-	-	18,044	10,267
Charitable activities	7	548,761	9,974	209,676	768,411	623,353
Total expenditure		566,805	9,974	209,676	786,455	633,620
Net income/(expenditure)		123,035	(9,974)	-	113,061	42,664
Gross transfers between funds		(68,861)	68,861	-	-	-
Net income for the year/ Net movement in funds		54,174	58,887	-	113,061	42,664
Fund balances at 1 April 2016		201,657	50,000	-	251,657	208,993
Fund balances at 31 March 2017		255,831	108,887	-	364,718	251,657

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 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11		17,422		18,066
Current assets					
Debtors	13	167,972		130,084	
Cash at bank and in hand		254,370		177,085	
		<u>422,342</u>		<u>307,169</u>	
Creditors: amounts falling due within one year	14	<u>(75,046)</u>		<u>(73,578)</u>	
Net current assets			347,296		233,591
Total assets less current liabilities			<u>364,718</u>		<u>251,657</u>
Income funds					
Unrestricted funds - designated	16		108,887		50,000
Unrestricted funds - general			255,831		201,657
			<u>364,718</u>		<u>251,657</u>

The accounts were approved by the Trustees on 10 October 2017

D Fletcher
Trustee

Company Registration No. 04107226

PURSUING INDEPENDENT PATHS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20		82,145		(25,740)
Investing activities					
Purchase of tangible fixed assets		(4,916)		(6,367)	
Interest received		56		280	
		<hr/>		<hr/>	
Net cash used in investing activities			(4,860)		(6,087)
Net cash used in financing activities			<hr/> -		<hr/> -
Net increase/(decrease) in cash and cash equivalents			77,285		(31,827)
Cash and cash equivalents at beginning of year			<hr/> 177,085		<hr/> 208,912
Cash and cash equivalents at end of year			<hr/> <hr/> 254,370		<hr/> <hr/> 177,085

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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

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 under the historical cost convention. The principal accounting policies adopted are set out below.

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 2017

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 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.

1.8 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.

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors 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.

1.9 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.

The Trustees do not believe there to be any judgements or estimates that would be considered critical to the financial statements.

3 Donations and legacies

	2017	2016
	£	£
Donations and gifts	143,060	85,093
Grants receivable for core activities	-	10,000
	<u>143,060</u>	<u>95,093</u>

All donations and grants in 2017 and 2016 were unrestricted.

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

4 Income from charitable activities

	2017 £	2016 £
Special projects	217,176	147,524
Local authority personal budgets	409,479	338,274
Spot contracts	129,745	95,113
	<u>756,400</u>	<u>580,911</u>
Analysis by fund		
Unrestricted funds - general	546,724	
Restricted funds	<u>209,676</u>	
	<u>756,400</u>	
For the year ended 31 March 2016		
Unrestricted funds - general		433,387
Restricted funds		<u>147,524</u>
		<u>580,911</u>

5 Investments

	2017 £	2016 £
Interest receivable	<u>56</u>	<u>280</u>

All investment income in 2017 and 2016 was unrestricted.

6 Raising funds

	2017 £	2016 £
<u>Costs of generating voluntary income</u>		
Other fundraising costs	<u>18,044</u>	<u>10,267</u>
	<u>18,044</u>	<u>10,267</u>

Cost of generating funds in 2017 and 2016 was unrestricted.

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

6 Raising funds (Continued)

7 Charitable activities

	2017 £	2016 £
Staff costs	476,139	385,241
Rent and rates	75,771	71,658
Recruitment and training costs	39,618	23,230
	<u>591,528</u>	<u>480,129</u>
Share of support costs (see note 8)	163,956	131,303
Share of governance costs (see note 8)	12,927	11,921
	<u>768,411</u>	<u>623,353</u>
Analysis by fund		
Unrestricted funds - general	548,761	
Unrestricted funds - designated	9,974	
Restricted funds	209,676	
	<u>768,411</u>	
For the year ended 31 March 2016		
Unrestricted funds - general		475,829
Restricted funds		147,524
		<u>623,353</u>

PURSuing INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

8 Support costs

	Support costs	Governance costs	2017	2016
	£	£	£	£
Depreciation	5,559	-	5,559	5,847
Insurance	5,969	-	5,969	5,260
Repairs and renewals	19,976	-	19,976	16,361
Books, stationery and postage	10,178	-	10,178	7,359
Telephone	10,197	-	10,197	8,179
Travel	48,396	-	48,396	34,627
Sundry expenses	1,548	-	1,548	497
Equipment lease	2,113	-	2,113	2,078
Computer expenses	8,203	-	8,203	950
Advertising	15,563	-	15,563	21,225
Office equipment	100	-	100	716
Bank charges	464	-	464	388
Consultancy	35,690	-	35,690	27,816
Audit and accountancy fees	-	12,927	12,927	11,921
	<u>163,956</u>	<u>12,927</u>	<u>176,883</u>	<u>143,224</u>
Analysed between				
Charitable activities	<u>163,956</u>	<u>12,927</u>	<u>176,883</u>	<u>143,224</u>

Governance costs include payments to the auditors of £6,000 (2016: £5,400) for audit fees and £2,315 (2016: £3,362) 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 2017

10 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Supporting people with learning difficulties	15	11

Employment costs

	2017 £	2016 £
Wages and salaries	428,534	356,799
Social security costs	33,907	23,653
Other pension costs	13,698	4,789
	476,139	385,241

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

Remuneration for key management staff in the year was £118,634 (2016: £90,562).

11 Tangible fixed assets

	Furniture and equipment £
Cost	
At 1 April 2016	73,306
Additions	4,916
At 31 March 2017	78,222
Depreciation and impairment	
At 1 April 2016	55,240
Depreciation charged in the year	5,560
At 31 March 2017	60,800
Carrying amount	
At 31 March 2017	17,422
At 31 March 2016	18,066

All of the fixed assets are used for the charitable purposes and relate to unrestricted funds in 2017 and 2016.

PURSuing INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

12	Financial instruments	2017	2016
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	149,277	118,294
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	59,289	70,192
		<u> </u>	<u> </u>
13	Debtors	2017	2016
		£	£
	Amounts falling due within one year:		
	Other debtors	149,277	118,294
	Prepayments and accrued income	18,695	11,790
		<u> </u>	<u> </u>
		167,972	130,084
		<u> </u>	<u> </u>
14	Creditors: amounts falling due within one year	2017	2016
		£	£
	Other taxation and social security	15,757	3,386
	Other creditors	22,003	27,843
	Accruals and deferred income	37,286	42,349
		<u> </u>	<u> </u>
		75,046	73,578
		<u> </u>	<u> </u>

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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 2016	Incoming resources	Resources expended	Balance at 31 March 2017
	£	£	£	£
City Bridge Trust	-	32,675	(32,675)	-
St James Place Foundation	-	32,500	(32,500)	-
Baily Thomas	-	10,000	(10,000)	-
British Land	-	17,402	(17,402)	-
Big Lottery Fund	-	83,099	(83,099)	-
John Lyon's Charity	-	25,000	(25,000)	-
Mercers Company	-	9,000	(9,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	209,676	(209,676)	-
	<hr/>	<hr/>	<hr/>	<hr/>

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.

Grants from British Land Charity, St James's Place Foundation and Mercers Company are towards the W9 training and education sessions for Learning Disabled adults.

Baily Thomas Fund is towards core W9 services staffing costs.

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.

PURSUING INDEPENDENT PATHS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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 2016 £	Movement in funds		Transfers £	Balance at 31 March 2017 £
		Incoming resources £	Resources expended £		
Strategic analysis fund	50,000	-	(9,974)	68,861	108,887
	<u>50,000</u>	<u>-</u>	<u>(9,974)</u>	<u>68,861</u>	<u>108,887</u>

The strategic analysis fund is to create and deliver a plan for service expansion. This project is expected to take 3 to 5 years.

17 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2017 are represented by:				
Tangible assets	17,422	-	-	17,422
Current assets/(liabilities)	238,409	108,887	-	347,296
	<u>255,831</u>	<u>108,887</u>	<u>-</u>	<u>364,718</u>

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:

	2017 £	2016 £
Within one year	73,083	73,078
Between two and five years	229,386	264,400
In over five years	113,375	151,444
	<u>415,844</u>	<u>488,922</u>

Net income in the year is stated after charging operating leases rentals on land & buildings of £71,007 (2016: £67,654) and on other assets of £2,113 (2016: £2,078).

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 2017

20	Cash generated from operations	2017 £	2016 £
	Surplus for the year	113,061	42,664
	Adjustments for:		
	Investment income recognised in profit or loss	(56)	(280)
	Depreciation and impairment of tangible fixed assets	5,560	5,847
	Movements in working capital:		
	(Increase) in debtors	(37,888)	(76,776)
	Increase in creditors	1,468	2,805
	Cash generated from/(absorbed by) operations	82,145	(25,740)
