

FRESHWINDS
REPORT AND ACCOUNTS
YEAR ENDED 31 MARCH 2005

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FRESHWINDS

LEGAL AND ADMINISTRATIVE INFORMATION

YEAR ENDED 31 MARCH 2005

The company is a registered charity, governed by its memorandum and articles of association.

Trustee Directors: Mohammed Sulieman Ibrahim Ibn Hassan Al Nur Al Rahim
Dr. Rhonda Theresa Lee
Lynette Tatton-Brown
Clive Peter Robotham
Gary De'ath
Roland Heinke

The directors of the Charitable Company ("the Charity") are its Trustees for the purposes of charity law and throughout the report are collectively referred to as the Trustees.

Associate Trustees: Nicholas Scott

Principal Office: Freshwinds House
22 George Road
Edgbaston
Birmingham
B15 1PJ

Banker: Unity Trust Bank plc
4 The Square
111 Broad Street
Birmingham
B15 1AR

Solicitors: Gross & Co.,
84 Guildhall Street,
Bury St. Edmonds,
Suffolk
IP33 1DR

Auditors: Horwath Clark Whitehill LLP
Hatherton House
Hatherton Street
Walsall
WS1 1YB

FRESHWINDS
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2005

STATEMENT BY FOUNDER, PRESIDENT AND CHIEF EXECUTIVE
MOHAMMED AL-RAHIM

2004-2005 has been an exceedingly challenging time for the charity along with a vast amount of opportunities there has been an increased level of work pressures. The development of the charity across a number of areas, working with the PCTs and hospitals, clinics and social services has deepened and developed further. The Living Choices programme which helps those who are dying of life threatening illnesses has further expanded to meet the demand. This high quality, compassionate programme has been much appreciated and highly regarded by service users and their families as well as the participatory PCT officials.

The whole charity is now gathering momentum for the next large-scale move and strategic change in our work. We expect that in the forthcoming year, much like last year, will see an expanded programme of outreach work. We expect to further quadruple this in 2005-2006. We are now negotiating for new outreach provision of complementary/integrative medical therapy in hospice settings. Significantly this year, we have launched our work at the Primrose Hospice in Bromsgrove and in Autumn 2005 we have started to negotiate to provide an NHS unit with a similar service. The charity is in discussions also with some regional PCTs for some provision of our outreach home-care services which should take place early 2006.

The BRO-SIS programme and our BME partnerships are growing apace. Freshwinds has now a very high and well-respected profile in the BME community which has been developing and continues to develop over the years. We will be consolidating these partnerships towards the end of 2005 into bidding consortia for health and social care work.

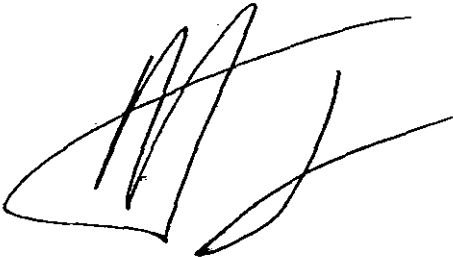
The Joint International Project at the time of writing this updated annual report has been given a new medical centre in southern Sudan by the Southern Sudanese Government in order to run a full medical centre and socio-economic development project. We are also enjoying success in negotiating with a large international charity to assist us in underwriting the first three years' costs of this project. We are also in discussions with them concerning a number of other projects in Africa, which our organisation's particular expertise is well suited to. This is a very exciting period for us and we are deeply honoured and pleased with the invitations and support we are receiving from the Sudan government, both North and South, to work for the well being of all Sudanese people. Our other work in the Congo is still ongoing and we are seeking funds to assist our partner organisations there.

Our most challenging situation has been the supporting people programme where we are negotiating a significant under payment by Birmingham City Council that arose in the 2004-05 financial year. Many organisations nationally are in this position and in Birmingham it is a particular problem for both private and voluntary organisations on this scheme. Further delays have happened in this situation due to internal issues at Birmingham City Council SPP Scheme. We are confident that eventually the majority of the payment will be satisfactorily finalised, however we are taking steps to find new additional funds and improve further our core cost issues created by this situation.

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The charity is now a major provider in a number of areas of service such as palliative care, information and guidance for the disability sector and we are duly proud of the high regard that we are held in by funders and our service users. We have an exceptionally dedicated team of staff and volunteers, I particularly want to commend the senior members of staff and trustees that assist the charity and its work. I recognise clearly that within this climate of enormous opportunity effort and work pressures are created. Our organisation and its members have continued to meet these challenges united and confident in the purpose of the charity's ethos of caring compassionately and providing assistance to those in need. It is our deep commitment to continue to do so wherever those service users may be, both here and abroad.

Mohammed Al-Rahim
Founder, President and Chief Executive

A handwritten signature in black ink, consisting of stylized, overlapping loops and lines, positioned below the printed name and title.

**FRESHWINDS
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2005**

**STATEMENT BY VICE PRESIDENT/DIRECTOR INTEGRATED MEDICINE
DR RHONDA T LEE**

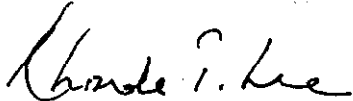
Statement by Vice President/Director Integrated Medicine

With every diagnosis of a life threatening or life limiting condition a person receives, the impact is not only limited to the individual but touches the lives of the whole family and friends. The journey is extremely demanding, physically as well as emotionally. When clients access Freshwinds services they discover the benefits of an integrated service, addressing their health, social and other issues. The difference is being able to have a good quality of life in spite of their health and other issues.

Our work in Integrated Medicine with Birmingham Primary Care Trusts, hospices and clinics has gone from strength to strength and we enormously value the trust and confidence that health professionals have demonstrated in our integrated complementary therapy service. This is especially true of our 'Living Choices' outreach project, where a 100% of referrals are from community and Macmillan specialist nurses. Within our children's service the community complementary therapy project at MAP West (based at Birmingham Community Children's Centre) has entered its second year. Parents and children all acknowledge the benefits of the service to the whole family, which has led to a request from the Child Development Centre Coordinator to develop an additional service for other families accessing the centre. Freshwinds unique model of integrated medicine and our high standards has also been a key to being invited to introduce and manage complementary therapy services at Primrose Hospice (Bromsgrove), due to start in April 2005. All of our clients are supported by our FlnDA advocacy and information project, a much needed service especially for our client group. This project is now ready to be further enhanced into a more specialist service.

For the coming year we plan to build on all of our existing services. This includes expansion into community outreach and becoming specialists in particular areas of advocacy, HIV services and integrated medicine. Therefore we will also be looking at relocating to new premises in 2005-06 to enable the charity's growth, as well as resolving issues of disability access. I would like to graciously thank all of our funders, supporters and volunteers who have faith in our vision and continue to support our work. I feel that the following comment from a client says it all....

'....the service has restored my confidence in being able to deal positively with my illness'.



**Dr Rhonda T Lee
Vice President/Director Integrated Medicine**

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Freshwinds is a charity registered in 1992 to help support adults and children living with life threatening and life limiting conditions, or belonging to socially excluded groups. The charity formally transferred to become a registered company in January 2002 (in line with good practice). The mission statement of Freshwinds is,

"To provide a fully integrated model of care and support to individuals with life threatening illnesses, within a caring and secure environment, in an effort to explore their circumstances and emotions to find a true resolution of their situation"

The charity plans to move to larger premises in Selly Oak in November 2005 in response to the increase in demand for services. The Charity aims at providing a comprehensive package of care, which includes addressing not only the individual's physical health but also emotional, psychological, social and financial issues. The charity has a commitment to try and reduce burden on patients and ease their hardship, therefore all services are offered completely **free of charge**. This holistic approach is made available through the following Freshwinds projects:

Integrated Medicine Project: Integrated medicine is a combination of conventional and complementary medicine offered within a safe environment. At Freshwinds this service is available via a team of about 50 complementary therapists, 2 resident doctors, 2 volunteer doctors, 1 therapist coordinator and 8 contract therapists. This includes the Children's Project, Parent Support Services and HIV Citizen Advice Bureau Advisor Surgery.

Client groups include adults and children living with life threatening and life limiting condition, adult examples and breast, prostate, lung and other cancers, HIV/AIDS, neurological disorders and connective tissue disorders (e.g. multiple sclerosis, systemic lupus erythematosus), hepatitis and others. In children these include cerebral palsy, Down's syndrome, metabolic disorders, chromosomal disorders, leucodystrophy, muscular dystrophy, autism and others.

In October 2003 a pioneering integrated outreach project was developed ("Living choices") with the support of the New Opportunities Fund and the four Birmingham Primary Care Trusts as well as local hospices. In its first year the project provided integrated complementary therapy support to an additional ~100 terminally ill new patients and their carers within their homes. In this year there has been over 160 new patients. Funding for the children's services is mainly through, BBC Children in Need, Local Network Fund and Awards for All. *With the support of the Prince of Wales Foundation of Integrated Health and the Royal College of Nurses; Complementary Forum, Freshwinds is leading the National Children's Complementary Therapy Network.* Referrals to the services are mainly via health care professionals, e.g. doctors, specialist nurses, district/community nurses, Macmillan nurses, health visitors, hospices and social workers.

Freshwinds Institute Integrated Medicine: A private training company owned by Freshwinds charity to generate funds and support the charity's work by providing training courses in integrated medicine and complementary therapies to the public. Training grants for courses are available according to the individual circumstances. Courses include Diploma in Aromatherapy and Reflexology, as well as workshops in HIV and Integrated Medicine. In addition to these is also the Integrated Medicine Journal publication.

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TRUSTEES' ANNUAL REPORT
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Activities of the Children's Complementary Therapy Network: There are over 150 network members internationally. Children's Complementary Therapy Network e-mail group has been set up for therapists to make contact with each other by e-mail using the network as the go-between. Children's Complementary Therapy Network Research Articles Database is being planned to collate a database of research articles on complementary therapies and children which members of the Network will be able to access as a resource in the future. The Children's Network Conferences are being planned for the Network once or twice a year. It is hoped that the National conferences will encourage the setting up of regional support networks, that can meet more frequently, provide feedback to the national meetings. The First Network conference is planned for Spring 2005, and the theme will be 'Developing a Children's Complementary Therapy Service'.

Freshwinds Information and Disability Advice (FInDA) Project: This project supports and assists people experiencing social exclusion for whatever reason to improve their quality of life. Project workers provide one-to-one and group sessions offering advice, advocacy and information on disability issues, education, employment, training, benefits, grants and any other information requirements expressed by clients. This enables clients and families to improve the quality of their lives. The main client groups within this project are those living with life threatening and life limiting conditions and their families/carers. Since 95% of the charity's client group falls into this category (recently dramatically increased because of the complementary therapy outreach project) this project has over the year become a central and key aspect of our support package. Other clients are those experiencing social exclusion due to other physical or mental disabilities, social background, ethnicity or other. This project also links into Freshwinds volunteering scheme, which helps to assist in developing social and other skills within the workplace.

Debt Counselling: It is a well-known fact that presently debt is a key issue in the UK population. This project is funded by Severn Trent and provides debt advice to lone parents and families of children with disabilities enabling them to manage their financial budgets more effectively. Lone parents and families of children with disabilities are more prone to experiencing financial difficulties due to the added demands of their situations. In the case of couples, this can also be a contributing factor towards the break down of their relationships. This project aims to minimise the burdens of financial debt and advise on the most appropriate resolution to the problem. In addition, clients are also helped by reviewing their overall budget and given support to manage their finances in a more suitable manner. This project provides outreach clinics to Sure Start and other centres.

Supporting People Programme (SPP): This is a Freshwinds HIV/AIDS floating support service providing the individual intensive one to one support, offering advice on housing, legal and financial assistance as well as advocacy and mentoring to improve access, education, employment and training. The approach within this project intends to be 'life coaching' advice and support and facilitate strategic coping skills to integrate the individual back into the community. Supporting People is one of the few in the UK and was developed as a response to the long-term changes in the HIV/AIDS profile since the 1980s. HIV/AIDS medication was first introduced in the early 1990s and since then HIV positive individuals have started to live longer. Unfortunately, this also meant that there were associated drug induced side effects, as well as the long-term effects of the condition itself to contend with. Of the majority of the client base has psycho-social issues relating to social and housing problems exacerbating their HIV positive status, as well as other mental health problems caused either by the condition or the medication. This project is funded by Birmingham Social Services and therefore limited to Birmingham residents only.

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BRO-SIS: This is a specialised support programme which creates an environment for better choices when tackling the issues of sexual health, HIV/AIDS, social exclusion, disadvantage, drug issues and crime. BRO-SIS focuses on the needs of people from the African and Caribbean communities that are living with HIV and other drug misuse problems. Over the last five years Freshwinds has witnessed that new HIV infections changed from the white, gay male in their 20-30s, to heterosexual male and females (white and black) and month-to-baby transmission. In particular the large majority of them are from African-Caribbean and African countries. These include individuals from the local community as well as immigrants from African countries. All of this is supported by national and local HIV statistics. Due the cultural, religions and ethnic differences within these communities the promotion of HIV/AIDS awareness is a particularly difficult issue. To date we have also evidence that a large part of the problem is stigma related to HIV, as well as drug related problems. Depending on the area of work the project is working the project is funded by the Drug Action Team or others. The University of Lancashire assists in identifying trends relating to drug usage and HIV in this community, this work is funded by the Home Office. There is now also a dedicated substance misuse within the project.

Midlands HIV Inter Agency Network (MHIAN): MHIAN was created in 1999 after the common recognition by HIV agencies in the Midlands that more was needed to be done to help people living with HIV/AIDS and their significant others. Freshwinds has chaired the MHIAN since it was formed. It is important to mention that Freshwinds is one of the largest voluntary sector providers for HIV services in the West Midlands as well as being members of the local and national HIV reference forums. HIV and its implications/impact on people's lives over the last five to six years have once again undergone enormous changes. Thankfully, people in the UK are now living longer, free from many of the devastating symptoms of the past. However, the long-term challenge of living with HIV has brought forth new and complex situations that need to be dealt with. Freshwinds continues to be a major contributor to this network, working in partnership with other agencies to build capacity, expertise and resources so that all agencies are able to increase, extend and enhance the help they offer to their constituent communities, including support, assistance, advice, back to work training and advocacy.

Partnerships & Joint Working

African Community Council for the Regions (ACCR): Freshwinds' continued partnership with African Community Council for the Regions has enabled both charities to expand and extend their capabilities both locally and internationally. With joint principles of integration, co-operation and education, the two charities are continuing to grow in collaboration, whilst still maintaining their own identities and projects. Also, we have been working in areas such as housing, equal access, HIV and international development. The founder and President Mr Al-Rahim, along with Dr Lul Lojok Deng were the founding Directors of this organisation. The organisation has grown rapidly and acts as a network umbrella organisation for twelve refugee and asylum communities in Birmingham and the West Midlands, as well as the areas mentioned above.

Joint International Project

In partnership with the ACCR a considerable amount of background work was initiated in 2004 towards introducing supportive community work in Africa. The objective of this project is to introduce the collective innovative skills and experience of the two charities and help build community structures, which have been damaged as a result of local unrest. This work will be a considerable part of the expansion of the charity's activities over the coming years.

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YEAR ENDED 31 MARCH 2005

As a result of this partnership Freshwinds/ACCR and the government of Sudan are working together for an International Joint Project which will result in a Multi Health Centre in southern Sudan. The cost of the project is estimated to be about £2m over a period of three years. The JIP is at advanced stage of negotiations for funding with an major international organisation.

Client Numbers: Freshwinds is rapidly increasing its client numbers and at present the Charity has 1,890 clients, with an average in-house client visit of 150 average. The support staff are now seeing a large number of clients on an outreach basis – up to 20-30 per week as well as 2000 telephone information and support service users. The charity provides over 5,500 integrated therapy sessions per annum. This year has also seen us disseminate information and awareness to over 11,000 through workshops, an African Communication Day in Victoria Square and other events.

Future Developments: Freshwinds continues to expand its international youth exchanges and student placement programmes. At present we have two Japanese international student placements in the charity. We expect to receive in 2005-2006 exchange students from Eastern Europe as well as Jamaica, Nigeria (October 2005). In our overall organisational review and with respect to our partnerships we are moving to a larger building in Selly Oak which has ample room for our expected head office expansion which as of this update is taking place in November.

It has been decided that our Handsworth unit will be a much larger "in the community" centre for much our BME and localised work. This will be in partnership with both ACCR and a number of other new BME partner organisations and will be a walk-in service.

The Joint International Project and Africa projects are expected to rapidly grow our international work in Autumn 2005 to early 2006. We are having discussions with a large international humanitarian charity which has over £70m income per annum and has agreed in principle, to underwrite a number of projects here and in Africa.

Our income growth will be over the next 18 months will be sound and significant to meet the future needs of the charity and to this end we are instituting major fundraising programmes to meet the core costs and ever growing needs of the charity.

Freshwinds Therapy Outreach project "Living Choices": Launched in March 2004 to deliver a complementary therapy service for Clients in Palliative care in their home. The programme has been successful with increasing number of referrals from healthcare professionals. This Outreach project includes a working partnership between Birmingham Primary Care Trusts, local hospices and Freshwinds.

International Projects: Working in partnership with the African Community Council for the Regions a considerable amount of background work has been done to move the work that will commence in 2005 in the Democratic Republic of the Congo, Eastern Chad, Darfur and in Southern Sudan. This work will be a considerable part of the expansion of the charities activities over the next number of years.

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TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2005

Quality Standards

Training: Staff and volunteers at Freshwinds are encouraged to develop their own individualised or an ongoing continuous training programme to maintain and update skills according to the client needs. Training is recorded and where appropriate attendance reports or feedback questionnaires establish the relevance of the training.

With the Integrated Medicine Project CPD includes, 6 weekly meetings and training for therapists as well as other additional in-house and outside training opportunities. New therapists enter into a six-month probation period to assess needs in relation to skills and knowledge base. Supervision and peer support is available from the medical team as other more experienced therapists. In development of the medical board of specialists will be a major step in support for the medical team. In addition, special discounted rates for FIIM training programmes for therapists are available.

A Training and induction programme for new staff and volunteers is in place to ensure that adequate support and guidance is made available. This includes training on Freshwinds Equal Opportunities policy, code of confidentiality and conduct.

Indicators of Performance and Quality: To aid individuals to understand the charity work there are a number of policies available on various subjects. These include, Equal Opportunities policy, Code of Confidentiality, Volunteering Policy, Code of Conduct, Code of Practice, Considerations of Therapy for clients, Child Protection Policy, Health & Safety Policy, Policies and Procedures for therapists and others.

An annual open-ended anonymous feedback questionnaire is given to clients to record their satisfaction and dissatisfaction with regards to services received at Freshwinds. The information is compiled to study the quality standard of services and address issues of concern.

Freshwinds records statistical and other information relating to client profiles, treatments etc. This is an important aspect of any project reports prepared for funders.

Freshwinds is a registered body with the Criminal Records Bureau, therefore carrying out disclosures on staff and volunteers to ensure safety of child clients as well as vulnerable adults.

Quality standards includes, being associate members of DIAL (Disability Information & Advice Line), IAG (Information Advice & Guidance) and plans to work towards the Matrix Standard.

Voluntary Assistance: Freshwinds acknowledges the crucial and significant contribution made by volunteers. This includes both those with professional skills and others who generously give their time and expertise freely, for the benefit of the Charity. For example, providing complementary therapies, administration and marketing help, fundraising, IT support, reception cover and maintenance roles. The financial reports do not incorporate any value attributed to the number of voluntary hours worked on the Charity's behalf. We estimate that the value of this voluntary assistance, including the work hours contributed by Trustees and the 120 or so regular volunteers are around £1,640,000 annually.

FRESHWINDS
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2005

REVIEW OF THE TRANSACTIONS AND FINANCIAL POSITION OF THE CHARITY

The Registered Charitable Company received donations and grants totalling £510,672 and other income of £382. A total of £13,598 remained in the bank as at 31st March 2005.

The Charity is organised in accordance with the Charity Commission Guidelines and this report and accounts fully comply with the Charity's SORP 2000.

RISK MANAGEMENT

The Trustees have examined the major strategic, business and operation risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

RESERVES POLICY

The charity needs reserves both to enable it to progress to completion its long term projects and to protect its current activities, in order to allow the trustees to meet their responsibilities and ensure that it continues to operate on a going concern basis. The trustees have examined the needs, risks and challenges faced by the charity in both the short and medium term, along with relevant financial forecasts, and have formulated a policy to meet those needs.

The trustees acknowledge that the charity currently has negative reserves and is actively looking at ways to increase the scale of activities to build up reserves.

AUDITORS

Following the transfer of substantially all of the business of Horwath Clark Whitehill to a Limited Liability Partnership on 1 April 2004, Horwath Clark Whitehill resigned and the trustees appointed their successor, Horwath Clark Whitehill LLP, as auditors.

Horwath Clark Whitehill LLP have expressed their willingness to continue in office and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

MEMBERS' GUARANTEE

Each member's liability is limited by guarantee and consequently the company does not have a share capital.

Approved by the Trustees and
signed on their behalf on

.....
Mohammed Al-Rahim

1/11/05

FRESHWINDS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 MARCH 2005

Company law requires the trustees to prepare accounts for each financial year, which give a true and fair view of the company's state of affairs at the end of the year and of the profit, or loss for that year. In preparing those accounts the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and ensuring their proper application and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

FRESHWINDS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRESHWINDS

We have audited the accounts of Freshwinds for the year ended 31 March 2005, which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet and the related notes set out on pages 13 to 20. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 15.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The responsibilities of the trustees for preparing the Trustees' Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities on page 11.

Our responsibility is to audit the accounts in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the accounts, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the accounts and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Fundamental Uncertainty – Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the accounts concerning events during the year and subsequent to the balance sheet date. In view of the significance of this uncertainty, we consider that it should be drawn to your attention but our report is not qualified in this respect.

Unqualified Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the charitable company as at 31 March 2005 and of incoming resources and application of resources, incorporating its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

1 November 2005

Hatherton House
Hatherton Street
Walsall WS1 1YB

Horwath Clark Whitehill LLP
HORWATH CLARK WHITEHILL LLP
Chartered Accountants and
Registered Auditors

FRESHWINDS

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE)

YEAR ENDED 31 MARCH 2005

	Note	Un- Restricted Funds £	Restricted Funds £	2005 Total £	2004 Total £
INCOMING RESOURCES					
Activities in furtherance of the Charity's objects:					
Donations and grants	3	38,877	471,795	510,672	408,509
Activities in generating funds:					
Other Income		382	-	382	11,291
Investment income	6	<u>-</u>	<u>-</u>	<u>-</u>	<u>43</u>
TOTAL INCOMING RESOURCES		<u>39,259</u>	<u>471,795</u>	<u>511,054</u>	<u>419,843</u>
RESOURCES EXPENDED					
Costs of activities in furtherance of the Charity's objects:					
Delivery of charitable services	7	20,045	481,427	501,472	410,344
Management and administration	8	<u>8,555</u>	<u>-</u>	<u>8,555</u>	<u>10,815</u>
TOTAL RESOURCES EXPENDED		<u>28,600</u>	<u>481,427</u>	<u>510,027</u>	<u>418,329</u>
NET MOVEMENTS IN FUNDS FOR THE YEAR		10,659	(9,632)	1,027	1,514
FUND BALANCES BROUGHT FORWARD AT 1 APRIL 2004		<u>(2,980)</u>	<u>(1,816)</u>	<u>(4,796)</u>	<u>(6,310)</u>
FUND BALANCES CARRIED FORWARD AT 31 MARCH 2005		<u>7,679</u>	<u>(11,448)</u>	<u>(3,769)</u>	<u>(4,796)</u>

All incoming resources and resources expended derive from continuing activities.

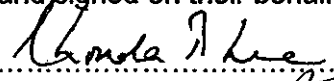
The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 15 to 20 form part of these accounts.

FRESHWINDS
BALANCE SHEET
31 MARCH 2005

	Notes	£ 2005	£ 2004
FIXED ASSETS			
Tangible assets	9	<u>16,886</u>	<u>23,171</u>
CURRENT ASSETS			
Debtors	10	112,632	73,248
Cash at bank and in hand		<u>13,598</u>	<u>4,939</u>
		<u>126,230</u>	<u>78,187</u>
CREDITORS amounts falling due Within one year			
Trade creditors		-	-
Bank loan		2,257	6,379
Other taxes and social security costs		93,657	43,924
Other creditors		22,458	20,462
Accruals		<u>8,761</u>	<u>12,639</u>
		<u>127,133</u>	<u>83,404</u>
NET CURRENT LIABILITIES		(903)	(5,217)
CREDITORS amounts falling due After one year			
Other creditors		(19,750)	(22,750)
NET LIABILITIES		<u>(3,767)</u>	<u>(4,796)</u>
Financed by:			
FUNDS			
Unrestricted		7,679	(2,980)
Restricted	12	<u>(11,448)</u>	<u>(1,816)</u>
		<u>(3,767)</u>	<u>(4,796)</u>

Approved by the trustees on 1st November 2005
and signed on their behalf:


.....
Dr Rhonda T Lee


.....
Mohammed Suleman Al Rahim

The notes on pages 15 to 20 form part of these accounts.

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2005

1. BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting by Charities (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985.

The Charity is reliant on donations and grants to fund its activities. During and subsequent to the year end the Charity has completed projects under the Birmingham Supporting People project. Whilst a significant proportion of monies spent under this project have been paid, an amount of £98,885 remains under negotiation with Birmingham City Council and has not been paid at the date of approval of these accounts. The trustees are of the belief that all services under the contract have been performed and the money owed will be settled in due course.

As a result of the cash flow issues which this situation has created, the Charity has been unable to meet all its liabilities to the Inland Revenue. At the date of approval of these accounts the estimated unpaid liabilities total £104,390. The Trustees intend to settle the 2003/04 liability of £23,733 on 11 November as agreed with H.M.R. & C and settle the remaining liability on receipt of the funds due from Birmingham City Council.

The accounts do not include any adjustments that would result from either the failure to recover the monies owed, or any actions taken by the Inland Revenue to recover the monies due to them in advance of these funds being received.

The trustees have prepared the accounts on a going concern basis which assumes Freshwinds will continue in operational existence for the foreseeable future based upon the satisfactory receipt of monies owed and the settlement of unpaid liabilities referred to above.

2. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the accounts are as follows:

2.1 Incoming resources

Donations and grants

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable

Interest receivable

Interest is included when receivable by the charity.

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2005

2.2 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

2.3 Fund accounting

Funds held by the charity are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees, or

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2.4 Depreciation of Tangible Assets

Fixed assets are depreciated over their estimated useful lives as follows :-

Fixtures, equipment and computers - 25% straight line

3. DONATIONS AND GRANTS

Donations and grants were received from the following organisations :-

	Un-Restricted Funds 2005 £	Restricted Funds 2005 £	2004 £
BBC Children In Need	-	30,675	23,680
Severn Trent – Debt Counselling	-	32,447	-
Elton John Foundation	-	-	20,000
Community Fund - FINDA	-	50,847	73,214
Birmingham Supporting People	-	117,928	133,244
Department of Education Support for Children and Families	-	-	5,000
New Opportunity Fund (Living Choices)	-	99,800	37,425
Scarman Trust	-	-	5,730
Birmingham Social Services – HIV ASG	-	30,750	12,360
Birmingham H.A East PCT	-	-	25,203
Digbeth Trust	-	25,750	6,000
Local Network Fund	-	-	6,000
BGB Pride Trust	-	-	4,000
European Funds	-	-	1,391
Birmingham Drug Action Clinic	-	30,200	-
Others	<u>38,877</u>	<u>53,398</u>	<u>55,262</u>
	<u>38,877</u>	<u>471,795</u>	<u>408,509</u>

FRESHWINDS

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2005

4. STAFF	2005 £	2004 £
Staff costs:	<u>329,272</u>	<u>260,531</u>
	<u>329,272</u>	<u>260,531</u>
The weekly average number of employees during the year was made up as follows:	No	No
Employees	<u>15</u>	<u>23</u>
	<u>15</u>	<u>23</u>

No employee received remuneration amounting to more than £50,000.

The following payments have been made to Trustees as authorised by the Charities Commission and pursuant to empowering clauses in the constitution:

Dr Rhonda Theresa Lee received £31,000 (2004: £28,883) – Consultancy Services

Mr Mohammed Al-Rahim, received a salary of £35,000 (2004:£32,667) – Chief Executive

5. INTEREST PAYABLE	2005 £	2004 £
On bank loan		
- repayable within five years	<u>230</u>	<u>550</u>
	<u>230</u>	<u>550</u>
6. INTEREST RECEIVABLE	£	£
Interest on cash deposits	<u>-</u>	<u>43</u>

FRESHWINDS

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2005

7. DELIVERY OF CHARITABLE SERVICES

	2005		2004
	Un-Restricted Funds	Restricted Funds	
	£	£	£
Wages and Salaries	4,775	324,497	260,531
Rent	517	31,788	32,313
Repairs and maintenance	-	3,851	7,839
Insurance	532	4,635	4,184
Water rates	598	3,391	8,690
Light and heat	379	3,559	2,302
Printing, postage, stationery	-	17,369	19,508
General office expenses	-	6,451	4,067
Telephone	-	15,037	11,810
Office equipment rental	-	18,080	12,914
Travelling expenses	-	9,370	9,888
Book-keeper	253	4,907	3,546
Hardship payments	-	13,279	10,367
Therapy consultancy fees	-	10,879	2,634
Training	-	530	2,987
Patient health care products	-	1,248	3,082
Volunteer travel expenses	-	-	2,141
Project costs	-	12,556	-
Depreciation	<u>12,991</u>	<u>-</u>	<u>11,541</u>
	<u>20,045</u>	<u>481,427</u>	<u>410,344</u>

8. MANAGEMENT AND ADMINISTRATION

	2005	2004
	Un-Restricted Funds	
	£	£
Auditors fees for audit services	2,928	4,407
Auditors fees for other services	552	705
Legal and professional	2,899	-
Bank charges	809	443
Sundry expenses	1,137	1,754
Loan interest payable	<u>230</u>	<u>676</u>
	<u>8,555</u>	<u>7,985</u>

FRESHWINDS

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2005

9. TANGIBLE FIXED ASSETS

	Fixtures, Equipment & Computers £
Cost:	
Cost at 1 April 2004	45,258
Additions	<u>6,706</u>
At 31 March 2005	<u>51,964</u>
Depreciation:	
Depreciation at 1 April 2004	22,087
Provision for the Year	<u>12,991</u>
At 31 March 2005	<u>35,078</u>
Net Book Value	
At 31 March 2005	<u>16,886</u>
At 31 March 2004	<u>23,171</u>

10. DEBTORS

	2005 £	2004 £
Trade Debtors	104,521	64,916
Prepayments	5,111	5,332
Other Debtors	3,000	3,000
	<u>112,632</u>	<u>73,248</u>

11. FINANCIAL COMMITMENTS

At 31 March 2005, the company has annual commitments under non-cancellable leases as follows :

	Land and Buildings	
	2005	2004
	£	£
One to two years	32,300	-
Two to five years	-	31,927

FRESHWINDS

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2005

12. RESTRICTED FUNDS

	At 1.4.2004 £	Incoming Resources £	Outgoing Resources £	At 31.3.2005 £
Community Fund – FINDA	-	50,847	51,620	(773)
Birmingham Drug Action Clinic	-	30,200	30,200	-
Birmingham Social Services – HIV ASG	-	16,750	16,750	-
BBC Children in Need	-	30,675	30,675	-
Birmingham Supporting People	(1,816)	117,928	126,787	(10,675)
Severn Trent – Debt Counselling	-	25,445	25,445	-
New Opportunity Fund - Living Choices	-	99,800	99,800	-
Others	-	<u>100,150</u>	<u>100,150</u>	-
Total restricted funds	<u>(1,816)</u>	<u>471,795</u>	<u>481,427</u>	<u>(11,448)</u>

The deficits on the two Funds noted above will be made good in the year ending 31 March 2006.

13. ANALYSIS OF NET LIABILITIES BETWEEN FUNDS

	Un-Restricted Funds £	Restricted Funds £	Total £
Fund balances are represented by:			
Tangible fixed assets	16,886	-	16,886
Current assets	126,230	-	126,230
Current liabilities	(115,687)	(11,448)	(127,135)
Liabilities due after more than one year	<u>(19,750)</u>	<u>-</u>	<u>(19,750)</u>
Total net liabilities	<u>7,679</u>	<u>(11,448)</u>	<u>(3,769)</u>

14. RELATED PARTY TRANSACTIONS

The Charity receives income from Freshwinds Advancement Training & Development Company Limited, a trading company, three of whose directors, namely Mohammed Sulieman Ibrahim Ibn Hassan Al Nur Al Rahim, Dr. Rhonda Theresa Lee and Gary D'eath are also trustee/directors of the Charity. During the year the Charity received income of £4,430 (2004: £850).

FRESHWINDS

DETAILED INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2005

	2005 £	2004 £
DONATIONS AND GRANTS	510,672	408,509
RESOURCES USED		
Rent	32,305	32,313
Water rates	3,989	8,690
Insurance – Building	5,167	4,184
Wages and salaries	329,272	260,531
Light and heat	3,938	2,302
Repairs and maintenance	3,851	7,839
Telephone	15,037	11,810
Postage, stationery and advertising	17,368	19,508
General office expenses	6,451	4,067
Travelling expenses	9,370	12,029
Equipment lease	18,080	12,914
Audit fees	3,480	5,112
Book-keeper	5,161	3,546
Legal and professional fees	2,899	-
Patient health care products	1,248	3,082
Bank charges	809	443
Hardship payments	13,279	10,367
Therapy consultants	10,879	2,634
Training	530	2,987
Sundry expenses	1,137	1,754
Project Costs	12,556	-
Donations		
Depreciation:		
Fixtures, Equipment and Computers	12,991	11,541
	<u>509,797</u>	<u>417,653</u>
NET INCOME	875	(9,144)
OTHER INCOME AND EXPENSES		
Other income	382	11,291
Bank interest received	-	43
Loan Interest Payable	<u>(230)</u>	<u>(676)</u>
NET MOVEMENTS IN FUNDS FOR THE YEAR	<u>1,027</u>	<u>1,514</u>