

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

England & Wales · Charity number 1096829

Details

Other names HACT, HOUSING ACTION CHARITY

Status Registered

Legal form Charitable company

Company number [04560091](#)

Registered 2003-04-02

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: TO FURTHER ALL PURPOSES WHICH ARE CHARITABLE ACCORDING TO ENGLISH LAW

Activities: HACT is a charity, social enterprise and industry-focused think/do tank established by the housing association sector. Our aim is to work with the housing sector, government, civil society and communities to develop and share innovative approaches to meeting changing needs. We seek to influence and innovate in ways which help housing providers deliver more effectively within their communities.

Classification

- **How:** Makes Grants To Organisations, Provides Other Finance, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** The Prevention Or Relief Of Poverty, Accommodation/housing, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** NATIONAL
- Northern Ireland
- Scotland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£4,821,943	£5,882,329	£884,347	26
2024-03-31	£5,046,431	£4,761,445	£1,606,021	27
2023-03-31	£3,555,212	£3,071,689	£1,415,679	24
2022-03-31	£3,555,897	£3,555,493	£1,578,242	18
2021-03-31	£2,558,770	£2,201,154	£395,594	16

Trustees

Name	Role	Appointed
Caroline Pillay		2022-11-24
Gemma Ann Bell-Smith		2024-11-27
Martin Julian Bickers		2017-11-16
Mary Gibbons		2019-11-14
Michelle Suzanne Dawson		2022-11-24
Nigel Peter Wilson		2022-11-24
Peter Marsh		2024-11-27
Sarah Louise Thomas		2024-11-27
Shaun Holdcroft		2020-11-12

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

England & Wales - Charity number 1096829

Accounts

Registered Charity No.1096829
Registered Company No. 4560091 (England and Wales)

HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2025

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

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**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

LEGAL AND ADMINISTRATIVE DETAILS

The Housing Associations' Charitable Trust Limited (HACT) is registered as a charity; charity registration number: 1096829; company registration no: 4560091.

The charity is governed by its Memorandum and Articles of Association.

Board members who served during the financial year (1 April 2024 – 31 March 2025) and up to the date of this report:

Gavin Cansfield (Chair) - resigned 27 November 2024
Sarah Thomas (Chair) - appointed 27 November 2024
Kalwant Grewal (Treasurer) - resigned 27 November 2024
Peter Marsh (Treasurer) - appointed 27 November 2024
Gemma Bell – appointed 21st May 2024
Jules Bickers
Andrew Cowan – resigned 21st May 2024
Michelle Dawson
Mary Gibbons
Rachel Honey-Jones
Shaun Holdcroft
Michelle Levi – resigned 25 February 2025
Caroline Pillay
Nigel Wilson

Other legal and administrative details

Chief Executive & Company Secretary: Andrew van Doorn OBE

Key Management personnel:

Andrew van Doorn OBE
Jacqui Bateson (April to October 2024)
Alex Lubbock (September 2024 to September 2025)
Vicky Hoare (from September 2025)
Matthew Grenier

Registered office:

Canopi
82 Tanner Street
London
SE1 3GN

Auditors:

Sayer Vincent LLP
110 Golden Lane
London
EC1Y 0TG

Bankers:

Unity Trust Bank plc
9 Brindley Place
Birmingham
B1 2HB

Solicitors:

Bates Wells
10 Queen Street Place
London
EC4R 1BE

HOUSING ASSOCIATIONS' CHARITABLE TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

CHAIR'S INTRODUCTION

I'm pleased to present HACT's Annual Report for 2024-25 financial year. This is my first year as Chair having taken over from Gavin Cansfield following the AGM in November 2024. I would like to thank Gavin for his dedication, commitment and leadership at HACT over the past 9 years as Chair.

HACT is an organisation that I am incredibly proud to be the Chair of. We are passionate about the essential role that social landlords play in their communities and are delighted to champion all that they do. But we are not an organisation that rests on its laurels, having a voracious appetite for improvement, transformation and innovation.

The social housing sector, like our society, continues to face major challenges. The global pandemic, during which the UK left the European Union, shortly followed by the cost-of-living crisis, has taken its toll on organisations, communities and people living in poverty or with low incomes. This makes our work, and that of the social housing sector, even more important.

Over a year after the election of a new government, we are pleased to see a renewed and continued focus on housing and planning, and a commitment to investing in social housing and addressing the broader housing crisis. As long-term businesses, rooted in their communities, social landlords have a lot to do. And HACT stands ready to support them to deliver their strategic goals.

For many people working in social housing, often at the coalface of communities under pressure, it continues to feel tough. Resources are being squeezed as demands and expectations are placed on social housing providers from multiple directions. Relationships with tenants are being transformed as regulatory relationships are recast. Tenant expectations are being driven up with a stronger emphasis on speedy resolution and redress. The resilience of our organisations and our communities is constantly being tested.

Like many organisations, the past year has been a challenging one for HACT. We have had to dip significantly into our reserves to continue building and delivering our impact. Whilst it has had its challenges, the team have delivered some phenomenal outcomes, for housing associations and their residents.

Being focused on our Five-year Strategy and Corporate Plan, in 2025 we have continued to deliver on our vision for a vibrant and high-quality housing sector that provides great affordable homes and builds successful communities where people can thrive. Working in partnership with social landlords is at the core of our approach - supporting them to drive impact and unlock their full potential and social purpose is central to our mission.

Social Value continues to be an important focus for us. Usage of our UK Social Value Bank continues to grow, and we have launched a new suite of value outcomes as part of the UK Built Environment Bank. Housing and the wider built environment has a significant impact on all aspects of our lives. Our homes, our workplaces, our streets and our communities, when designed and managed well, support us to thrive. So having a way to measure, forecast and enhance our social value, means that we can make sure that every penny of investment, and every programme or renewal, drives up our wellbeing.

We continue to support the sector's response to the cost-of-living crisis through our Centre for Excellence in Community Investment. Having started our fuel voucher programme in 2022, we have now distributed over £7.9m to March 2025. This funding supported 53,100 households with fuel vouchers and debt write off. In the last financial year alone, we supported 14,197 households with around £3m of funds through our network of over 300 partnering housing associations.

The Centre has also supported and completed major work focused on older people through our Age Friendly Housing Programme. This has created partnerships across the country to demonstrate how the community investment focus of housing can better serve and benefit older people. The learning from this has been captured and widely shared.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
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We continue to focus on the impact opportunities of supporting collaborations between housing and health. Health inequalities are growing in our society, and housing is not only a key determinant of this, but a place-based partner for the NHS to drive improved outcomes through. We have been proud to support new collaborations across the country, tackling issues such as damp and mould, food poverty, and improving outcomes for those with the most complex mental health challenges, learning disabilities, and Autistic people.

Our Retrofit Credits work has continued apace, bringing much needed resources into the sector to improve the energy efficiency of homes. Working in partnership with PNZ Carbon, this is the first carbon credit in the world that seeks to accelerate the decarbonisation of our homes. We have been able to support and test local pilots where social landlords can work with local business to help off-set their carbon, and invest in home improvements.

The decarbonisation challenge isn't just one of funding, it is also one of skills. Working with local partners in Bournemouth, Christchurch and Poole, we're also piloting new ways to support the residents of social housing with growing green skills, and into green jobs.

We ended the year initiating a collaboration of twenty leading social housing organisations from across the UK to look at creating a more collaborative future for our sector. The Sector Collaboration and R&D Programme launched its Roadmap in September, and we are now moving forward to create the UK HIVE (Housing Innovation and Value Exchange). This will no doubt be a major feature of my next annual report.

Social landlords are long-term, asset-based anchor institutions, and whilst they and their residents face many challenges, it's through working collaboratively with each other and their partners in the public, private and voluntary sectors that they will deliver long-term solutions.

Delivering our impact takes commitment and dedication from all involved and on behalf of the Board, I want to acknowledge and thank the HACT team and leadership for their fantastic work over the year. Their expertise, enthusiasm and tenacity has ensured our continued success and ability to adapt and thrive. I want to thank my fellow board members for their commitment and passion and thank all our partners and supporters who continue to see the value of collaboration and transformation.

Sarah Thomas
HACT Chair
25th November 2025

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

The Trustees (Board), who are also directors under company law, present their report and financial statements for the year ended 31st March 2025.

The Board confirm that the financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

OBJECTIVES AND ACTIVITIES

The Memorandum and Articles of Association give the board members discretion to do anything providing it is "charitable". The activities of HACT are not necessarily restricted to one particular field of work and can operate world-wide if desired.

We strongly believe that the non-profit social housing sector, which provides one in five homes across England, provides a unique and valuable route through which support can be provided to those who need it most, often people and families who find themselves homeless, those with additional vulnerabilities, older people, those in need of care and support, and those on low incomes. Most fundamentally through the provision of a home – a universal need – but also through investing in support for individuals and communities across the country.

We seek to fulfil our charitable mission by providing a focus for ideas and innovation, collaboration and insight. We create products and services and run UK-wide projects with the sole aim of helping social housing providers deliver more effectively to the individuals and communities they support. We are proud of having built a business capable of delivering that mission through everything that we do.

PUBLIC BENEFIT

HACTs vision is for a vibrant and high-quality housing sector that provides great affordable homes and builds successful communities where people can thrive.

Our mission is to support the sector to enable, enhance and unlock the full potential of its social purpose and respond creatively to the challenges faced by people and their communities.

We create collaborations in and outside of the sector that embrace innovation. By working creatively together, we drive impact for residents through their landlords and the partnerships they create.

We provide a focus for ideas, insight and leadership: creating projects, products and services that supports transformation and challenges ourselves in our drive for excellence.

HACT is a charity and social enterprise who partners with organisations across the housing sector to drive value for residents and communities through insight-led products and services which encourage innovation and foster collaboration.

We help them measure their social value, better understand the communities they serve and connect with like-minded organisations.

We are passionate and optimistic leaders in housing who fundamentally believe in the transformative potential of the social housing sector.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

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FOR THE YEAR ENDED 31 MARCH 2025

HACT has supported the sector to develop and grow for sixty-five years. We are a dynamic and leading agency focused on unleashing the transformative power of the social housing sector. We have always believed in and focused our energy and resources on driving forward its social purpose.

We support people, communities and organisations to explore new ideas and develop the solutions for tomorrow. As we move forward in the next five years, our passion and optimism is undiminished, and our commitment to social housing and social justice is unwavering. We believe that residents and communities deserve nothing less than excellence, and we will challenge ourselves and support sector-wide transformation to achieve it.

The impact of the sector doesn't end at the door of the homes they provide, and nor do we. There are many people and organisations who have a stake in creating successful places where people can thrive. These include local authorities, the NHS, the third sector, local businesses, investors, developers, tech providers, and those who provide services to housing providers.

Our collaborations drive value for organisations, residents and communities. And new partnerships are needed to address the challenges we face today and tomorrow. A connected and collaborative sector that embraces new ideas and opportunities, is at the core of our vision for housing.

The Trustees have paid due regard to the guidance issues by the Charity Commission in deciding what activities the charity should undertake. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trustees consider the current activities deliver public benefit. Details of the objects which form the basis of this are given in this report.

ACHIEVEMENTS AND PERFORMANCE

In 2022 the Board agreed its new Strategic Plan 2022 – 2027. Our Strategic Plan is a growth plan, in both impact and income, and we have set three Strategic Objectives:

1. Grow our products, services and projects that deliver on our mission and builds our sector's impact
2. Build and engaged and high performing team
3. Develop a more sustainable and agile business that invests in the future for HACT and the sector

These Accounts outline the results of the third year of our five-year plan.

HACT's charitable activities and impact continues to be directed through the work we do to support the sector to deliver on its social purpose.

- We develop tools and products that provide insights to aid decision-making that drives impact;
- We provide value-adding consultancy that helps organisations to build their own capacity;
- We act as a broker between sectors, offering insights, advice and guidance;
- We provoke and challenge through thought leadership;
- We enable sector-wide collaboration and develop projects through our networks that are focused on innovation and impact;
- We invest in R&D to create new impact-based products;
- We deliver masterclasses and training and curate quality events; and
- We consistently explore how to generate and deliver new ideas that deliver impact for social housing tenants and their communities.

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FOR THE YEAR ENDED 31 MARCH 2025

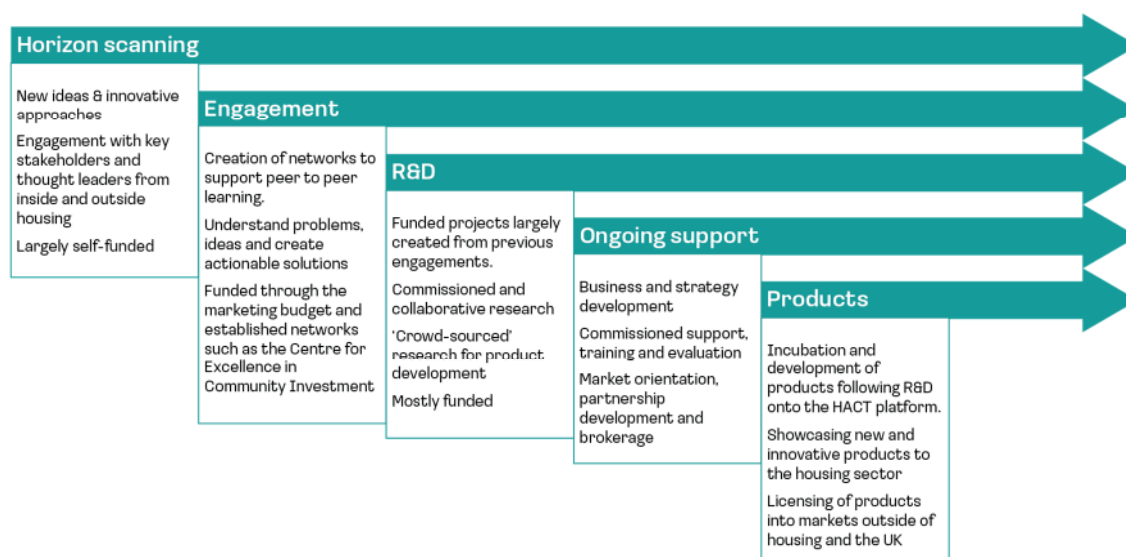
All this work is centred on the fundamental aim to help housing providers drive change within their own businesses, invest in their tenants and communities, and to unlock the ways they can achieve their social purpose.

We structure our work around six areas – Social Value, Community Investment, Health and Housing, our Insight tools, Data, and Net Zero Carbon. We also seek to innovate in new areas, both planned and opportunistically, as new issues and concerns arise, and include a research and development pipeline across all these areas of work. This is exemplified by the collaborative research and development engagement we have been delivering with the sector to determine a roadmap for collaboration and innovation for social housing.

We mainly work with large and medium sized social landlords and are increasingly expanding our work with those sectors and organisations that work with housing, where we play a significant brokerage role. This includes work with developers and organisations in the housing supply chain, NHS service providers, local authorities, the public sector, and the broader community and voluntary and social enterprise and faith sectors. Social landlords are at their best when they are collaborating and working together in the communities where they work.

Our networks and our breadth and depth of expertise enable us to support other sectors to understand the businesses and priorities for social housing and their tenants, explore how they can drive impact and social value, and to find ways of working creatively to generate impactful solutions.

Our approach can be conceptualised in several iterative stages:



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Social Impact and Valuation (HACT Value)

HACT has pioneered the Wellbeing Valuation approach in social value measurement for thirteen years. This ensures that our understanding of social value is about the impact and improvement that people experience in their lives. HACT is the leading social value advisor in the housing sector. We have a reputation for designing robust credible methodologies that provide powerful and actionable insights. With our Social Value Insight tool and the many Social Value Banks housed within it, we support organisations to place social value insights, understanding and evidence at the heart of decision making.

HACT works in partnership with Simetrica-Jacobs to develop and publish the repository of values within the UK Social Value Bank. Our robust, reliable, accessible and easy to use approach, means that it's importance and recognition has grown significantly over the years. Wellbeing Valuation is now recognised in the supplementary guidance on valuing wellbeing to the Government's Green Book and is growing in use to support project and programme evaluation across Government and its agencies.

Social Value is a maturing space in housing and the wider public sector and built environment. As such we are always looking to expand the banks with new value outcomes that can support impact measurement.

In June 2022 we launched a major new version of the UK Social Value Bank. This included updating all of the values available, creating new environmental outcome values, and adding Exchequer Valuation (the savings to the State). In July 2024 we launched the UK Built Environment Bank (UKBEB). This enables housing associations, developers, contractors, and construction firms to deliver and implement more meaningful, intentional long-term transformational social impact for people and communities.

We also launched Version 6.0 of the UK Social Value Bank which is fully aligned with the Treasury recommended WELBY, and continue to publish the UK Mental Wellbeing Bank (UKMWB).

UK Social Value Bank suite of values

EMPLOYMENT	HEALTH	ENVIRONMENT	HOMELESSNESS	LOCAL ENVIRONMENT	FINANCIAL INCLUSION	MAINTENANCE OF THE HOUSEHOLD
- Full-time employment - Self-employment - Part-time employment - Government training scheme - Secure job - Apprenticeship - Vocational training - Regular volunteering - Job-related training provided by employer - Job-related training not provided by employer	- High confidence (adult) - Relief from depression / anxiety (adult) - Good overall health - Relief from alcohol problems - Smoking cessation - Can rely on family - Improved diet	- Energy efficiency improved to Bands A or B (from C) - Energy efficiency improved to Band C (from D) - Energy efficiency improved to Band D (from E, F or G) - Pollution - Buys recycled products - Recycles waste	- Rough sleeping to: - secure housing - temporary accommodation (average, with and without dependent children) - Temporary accommodation to: - secure housing (average, with and without dependent children) - Tenancy service for people in rough sleeping (average, with and without dependent children) - Emergency relief service for people sleeping rough (average, with and without dependent children) - Housing service for people in temporary accommodation (average, with and without dependent children) - Tenancy service for people in temporary accommodation (average, with and without dependent children)	- No problem with teenagers hanging around - No problem with vandalism/graffiti - Not worried about crime - No problem with ASB - Police do good job - No litter problems - Able to obtain advice locally - Good neighbourhood - Feel belonging to neighbourhood - Talks to neighbours regularly - Greenspaces are within walking distance - Greenspaces are of a high standard - Greenspaces are easy to get into and around - Has access to private outdoor space	- Afford to keep house well-decorated - Able to save regularly - Relief from being heavily burdened with debt - Able to pay for housing - Financial comfort - Access to internet - Computer access to internet - Able to insure home contents - Able to heat household in the winter	- Satisfaction with how landlord maintains and repairs home - Rectification of serious condensation/ mould growth - Rectification of penetrating (higher level) damp - Rectification of ceiling fault - Rectification of floor fault - Rectification of wall fault - Rectification of door faults (interior doors)
YOUTH	PHYSICAL ACTIVITY	MAINTENANCE OF LOCAL AREA			SOCIAL HOBBIES & CROUPS	
- Go to youth clubs - Does not feel useless - Improvements in confidence	- Infrequent moderate exercise - Frequent moderate exercise - Infrequent mild exercise - Frequent mild exercise - Frequently walk or cycles short distances	- Resolution of problems with condition of dwellings - Resolution of problems with local streets (condition of road, pavements and street furniture; litter; graffiti; dog excrement & vandalism) - Resolution of problems with scruffiness (scruffy gardens/landscaping & scruffy/neglected buildings)			- Active in social group - Active in tenants group - Gardening	

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The Built Environment Bank suite of values

CONSTRUCTION	EMPLOYMENT	ENVIRONMENT	HOMELESSNESS	LOCAL ENVIRONMENT	SUPPLY CHAIN	YOUTH
CCS compliant score Housing affordability (by number of bedrooms) - Affordable rent - London affordable rent - Social rent - Shared ownership - Build to rent Affordable commercial space Community infrastructure levy	Volunteering Workless job starts Apprenticeships - Apprenticeships - Graduate opportunities - Quest scholars Work placements Work experience Mentoring - Employee - Non-employee	Responsible timber procurement Waste diverted from landfill Environmental training - Internal - External Biodiversity level Environmental incidents - Category 1 - Category 2 Commuting habits - By people cycling - By people on bus - By people walking	Care home spaces provided Supported living units provided Student accommodation units provided	Housing development features Secure by Design	Local supply chain LM3 Community investment value (£) Meet the Buyer - Events - Attendees Supply chain school training Fair payment terms Procurement (proportion of employees) - Micro enterprises - Social enterprises - Minority-owned enterprises	Schools engagement (number of pupils engaged) - STEM - Non-STEM - DEC

The three banks are housed in our Social Value Insight tool within the HACT online platform, subscriptions for which have increased by 22% over the year. The tool allows organisations to easily define, forecast, capture and record the social value they create across their business. Our approach makes it simpler to manage social value measurement across the whole organisation, including through procurement. It helps organisations to truly bring together a strategic organisational-wide approach to social value.

We provide a range of consultancy, training, certification, networks and guidance around social value. We have helped housing associations and others to develop impact and social frameworks, that inform medium to long-term corporate strategies. We work at all levels of organisations to help improve skills, knowledge and understanding of social value through support services and training.

We also launched in June 2024 a White Paper on Social Value and Assurance. Working with leading global professional services network Forvis Mazaars, we explored the critical role of social value and non-financial reporting in driving transformational impact in the UK.

As previously said, this is a maturing space and HACT is proud to be working with the social housing and other sectors to build the best and most robust approaches to measuring and valuing impact. We firmly believe that in so doing, we will make the case for further and enhanced investment in impact, for residents and communities. Social value and impact measurement is important to us and interest continues to grow from social housing to the wider housing supply chain and beyond.

Community Investment (HACT Local)

Community Investment is at the heart of HACTs work supporting housing associations to drive impact. Housing Associations invest hugely in their residents and their local communities. Our work supports them to maximise the impact they have in supporting sustainable lives and places. Through our consultancy, research, sharing of best practice and work to enable cross-sector partnerships, we will work to redefine holistic and sustainable community investment as a priority that works across the whole housing business.

Our key vehicle for collaboration and transformation is the Centre for Excellence in Community Investment. We set-up the Centre in 2018 to champion and supports community investment in the UK. It now involves over 240 organisations. Our approach to networks is increasingly focused on creating environments where specific areas of opportunity and challenge can be shared and examined, sometimes leading to major innovation projects to explore.

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We are proud to support networks focused on food poverty and insecurity, community assets, race equality, green skills, age friendly and intergenerational practice, digital inclusion, and youth involvement. We also support networks in Scotland, Wales and Northern Ireland.

During the year we held a successful Community Investment conference, the only event of its kind in UK Housing. We also secured funding for a new programme of work exploring how HAs drive forward their anti-poverty work.

The Cost-of-Living Crisis continues to impact acutely on people living in social housing, and their communities. The role of Community Investment has therefore never been more important. But so has the need to innovate and collaborate in this space. Providing a space to identify issues and solutions, and bring organisations together to collaborate, is at the core of our work.

During the year, through grants and donations we have worked on a number of projects which support communities:

Age Friendly Social Housing Programme – Completed in September 2024, this was a 2-year project in Southwark, Bradford, and Bournemouth, Christchurch and Poole, exploring how to embed a greater emphasis on supporting older people within the community investment programmes of housing associations. By creating vibrant local partnerships, we delivered support that helped older people stay in their homes for longer.

Green Skills – Now in year two of three and due to complete in 2026 – this project is locally based in Bournemouth, and is testing a number of ways in which housing associations can support their tenants into training, education and employment opportunities in the emerging green skills sectors. Alongside this local project, we have established a national Green Skills Network as part of the Centre for Excellence in Community Investment.

Rentflex – Now complete this pilot created a tool which enables residents to manage their rent payments to minimise the likelihood of arrears. A number of key stakeholders and partners were involved in this work and key learning captured through an independent evaluation.

Food Insecurity – HACT established a new network in London between housing associations and the Felix Project to address the growing concerns around food poverty and insecurity. The project is funded by one of London's leading social landlords, Peabody, who have committed to a further three years support.

Anti-Poverty – Launched in March 2025, this is a two-year programme focussing on different areas of deprivation and poverty and designed around the need to provide tools, policy and best practice for housing associations to combat it. The first area of focus was on furniture poverty.

Addressing Fuel Poverty

Fuel poverty has been a significant feature since the pandemic and continues to be fuelled by high energy costs and the cost-of-living crisis. To ensure that people living in social housing can access the right support, the Centre formed a collaboration with housing organisations to channel fuel vouchers to those in greatest need. Over the course of the year, we have received and distributed vouchers through our UK based network of over 300 housing providers.

Since we started our fuel voucher programme in 2002, we have distributed over £7.9m to March 2025. This funding has supported 53,100 households. We have a further £2million to distribute in 2025/6 and hope to apply for further funding to increase our impact.

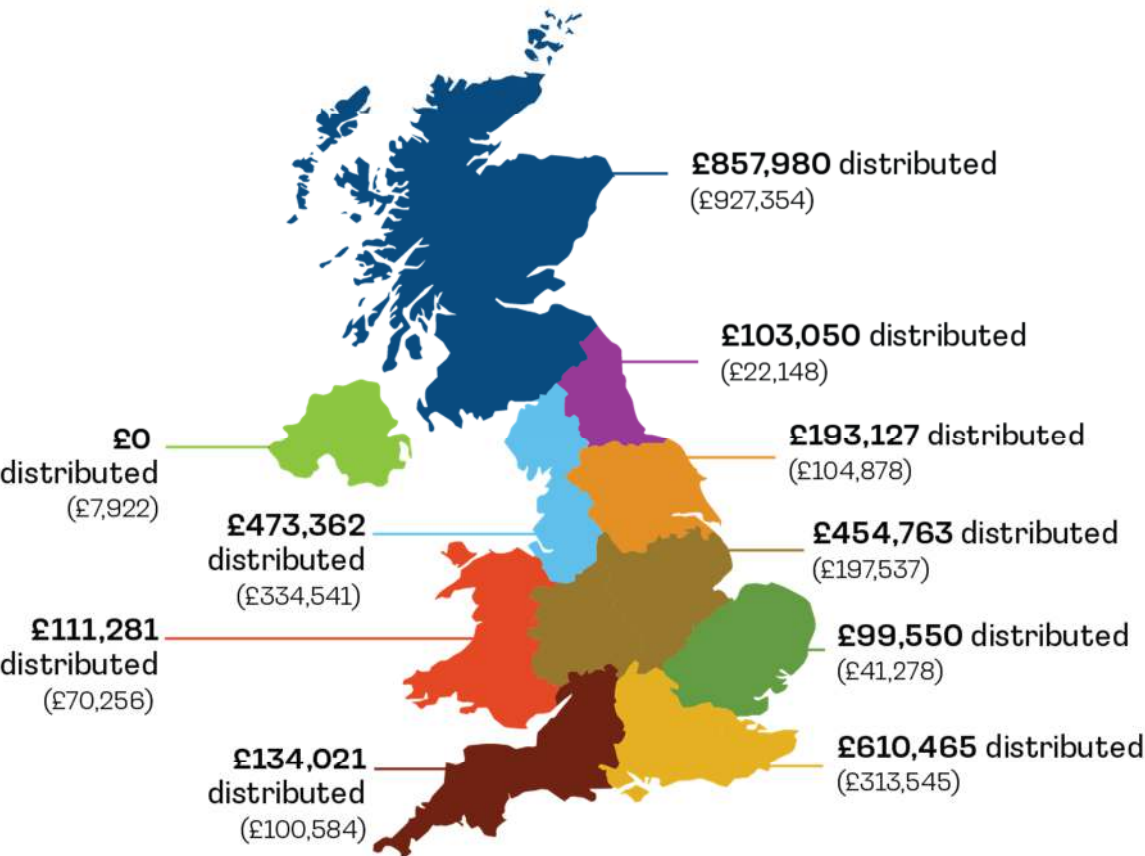
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The majority of support is in the form of fuel vouchers for those on pre-payment meters (from the Energy Redress Scheme). With support from Fusion 21 we have also delivered whole debt-write off, targeted at residents who live in the homes managed by their members. Across all funds, we supported 14,197 households in 2024/25 with around £3m of funds.



Energy Hardship Funds fuel vouchers distributed 2024-25

Total value of vouchers / payments:	£3,037,598 (£2,122,044)
Number of households supported:	13,126 (7,202)
Number of vouchers / payments:	54,387 (25,366)
Number of organisations distributing:	208 (165)
	(2023-24 numbers in brackets)



Health and Housing (HACT Health)

The connection between housing and health has never been so important. HACT Health supports housing associations and NHS providers to develop new relationships that lead to major improvements in healthcare for their residents.

HACT unlocks the potential of provider led innovation. We believe that this is where longer-term improvement and transformation happens. Through brokerage, consultancy, improved evidence and learning we:

- Improve quality and effectiveness of health pathways with a stronger and more prominent contribution by housing
- Make better use of resources in health through collaboration with housing
- Unleash the power of longer-term solutions and collaboration between housing and health as anchor institutions
- Generate evidence, new insights and learning about what works
- Demonstrates how health can drive social value and be a community investor

Our work with NHS Trusts and their commissioners continued to grow and evolve in 2024/5. We supported both shorter-term engagements to broker new relationships between the NHS and housing, and longer-term transformation to embed new expertise and approaches. We commonly work with NHS Trusts, Commissioners, Local Authorities (both social care and housing) and public health teams. We support them with strategy development, market engagement and brokerage, care pathway re-design, evaluation of services, and strategic partnership development.

A key focus of our work is on supporting people with acute mental ill health, learning disabilities, and autistic people, to live successful lives in the community. We are leading expert in this field and have worked extensively across the country in supporting care pathway redesign and pioneering new services. Over the year we supported work in Cheshire & Merseyside, Lincolnshire, Kent & Medway, South London, North East London and Coventry and Warwickshire.

With increasing demand on NHS services, we have also worked throughout the year to develop and support new collaborations and unlock the opportunities of more integrated care. We have supported collaboration in Cheshire & Merseyside developing a major Health and Housing partnership. We have also worked in Bedford, Luton and Milton Keynes, Worcestershire, South Yorkshire, and in the Black Country. These collaborations place health inequalities at the forefront of their work and work creatively to expand the impact that housing associations have through their community investment roles.

Increasingly, issues of damp and mould and the impact that this has on respiratory health are becoming a focus of local collaborations.

Insight Tools (HACT Insight)

We focus on providing affordable and easy to access and use insight products for staff in housing and their partners. These tools are designed to help organisations to invest in their communities, demonstrate their impact and improve the services for tenants.

Social Value Insight is the vehicle through which we deliver the UK Social Value Bank and the new UK Built Environment Bank. It provides organisations with a platform through which they can plan, monitor and manage and report on their social value activity. SVI not only houses the UKSVB and UKBEB, it also provides learning modules, guidance and use cases for applying social value

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measurement to a whole range of activity. This includes developing and managing homes, addressing homelessness, delivering community investment, resident involvement and support, and many more. It also helps organisations with their procurement of goods and services, and partnerships for major regeneration programmes.

At the beginning of 2024 we started to develop Local Data Insight, a tool for understanding local need based upon open data sets, such as the Indices of Multiple Deprivation, DWP data, and the Census. Having invested in its development, we were not satisfied with the user experience and had little resource to continue further development. As a result, and with a product that was not meeting our subscribers needs, we decided to close it down. This was an important decision, and it was important for us to ensure that investment was directed to our more successful tool, Social Value Insight. Many new, free to use, local needs mapping tools have come onto the market, including from organisations such as ONS. Whilst we have closed down the tool, we have maintained the functionality within the HACT Platform for future use.

Our research activity is also a key part of HACT Insight. As well as undertaking evaluations for housing associations of their work and impact, we aim is to look at bigger issues of wider relevance to the sector. This includes work with organisations like Shelter to understand the value of affordable housing. With Shelter Scotland and fourteen Scottish housing associations, we published new analysis of the social impact and value of affordable housing. By understanding the real experiences of new social housing tenants, our research showed that £11,027 of social value is generated in the first three to six months of moving into a new social home.

Digital (HACT Digital)

We have been working since 2016 to provide an answer to the perennial complaint of 'bad' data in the sector. The UK Housing Data Standard is our answer to improving data quality. The standard now covers eight domains covering everything from core customer data; voids allocation; income and service charge collection and care and support, to all things related to the building; planned and reactive repairs and development handover.

We worked closely with our strategic partner Data Futurists to ensure we have the right tools and services in place to support organisations in creating and using good quality data. We formed a Data Practitioners Group, whose focus is on moving the sector forward, and we are planning the expansion of our work and support to housing providers, so that they can meet their new statutory and regulatory responsibilities around building safety and tenant engagement.

We saw a bit of a renaissance of our Data Standards work this year, working with Data Futurists on a more comprehensive package of support to organisations on implementing the UKHDS and improving data quality and insights. In January Lincolnshire Housing partnership became the first landlord to receive certification for the UKHDS, a new product created to help organisations implement the standards. We have worked alongside the Ministry for Housing, Communities and Local Government (MHCLG) to develop and plan the update for adoption and implementation across the housing sector. This has culminated in the development of a new module to support the sector to address Awaab's law. This will be consulted on in 2025 and we hope will invigorate investment in the adoption of the UK Housing Data Standards by the sector. We have been supported by our strategic partner Data Futurists to ensure we have the right tools and services in place to support organisations in creating and using good quality data.

We have also opened up conversations with the Welsh Government to support the sector in Wales.

Retrofit Credits (Net Zero Carbon)

The Climate Crisis is a significant challenge for our people, places and planet. For housing, there is a need to decarbonise our homes, which could cost around £300bn in the next 20 years. Achieving Net Zero is a key challenge, and a key opportunity for social landlords, and is a new area of our focus and innovation.

Having completed our first pilot in 2023/24 we moved our ground-breaking Retrofit Credits product forward in partnership with PNZ Carbon. This is a voluntary carbon crediting scheme which supports the de-carbonisation of homes through retrofit activity. It combines a carbon reduction methodology with our UK Social Value Bank, demonstrating that retrofit activity not only reduces carbon, but also improves wellbeing of the people living in them.

Our 2024 crediting cycle will produce around 25,000 new credits, which equates to 25,000 tonnes of carbon reduced through retrofit activity. This equates to around 41,000 annualised tonnes of carbon reduced.

With support from the Energy Savings Trust, we also started to test a local a Place Based Model for decarbonisation, incorporating Retrofit Credits. This involved looking at how local business can support the local retrofitting work of social landlords through off-setting. This hyper local approach has become a key selling point to stakeholders looking to serve their communities more locally through offsetting.

During the year we also secured positions as part of a number of frameworks developed for offsetting, most notably National Grid's nationwide framework and the North East Combined Authorities regional framework. We expect this type of activity to continue as the recognition of Retrofit Credits, its integrity and unique social valuation become key features as the market matures.

Following our award of the a prestigious Ashden Award for Energy Innovation (UK) in 2023, we were delighted to be nominated for the Earthshot Prize. Although we didn't reach the shortlist, this has continued to open up our work to global networks of climate innovators.

Research and Development

HACT has a long and distinguished history of innovation within social housing. As we entered our 65th year, we wanted to look at how we could support the sector into the future, to meet head on its many challenges it faces, unlock new opportunities and ensure that it works more collaboratively to drive excellence and impact for social housing residents and communities.

To do this we launched a new piece of work on sector collaboration and R&D. We secured over a £100k of investment from a partnership of 20 organisations from across the UK. This included all of the sector Federations and the CIH. Our engagement started in the 2024/25 financial year and resulted in the launch of a Sector Roadmap for Collaboration, Innovation and R&D in September 2025. This is a major piece of strategic development for HACT and will lay down a future programme of work for us and our partners. We will report more on this in our next annual report.

Events, masterclasses and learning

We continue to run a range of events, seminars and learning programmes. With all activity now online, we have been able to reach a much wider audience and engage more people in more frequent learning activity. Other than our longer-term learning development programmes and our social value masterclasses, all other events and webinars were free to attendees.

Our social value conference continues to be popular with attendance at c. 800 during the year. We also ran an in person Community Investment conference for 200 people. Throughout the year we put on masterclasses and webinar on a range of social value topics, and worked with organisations like the NHS Confederation to run learning webinars on housing and health.

Our approach to events and learning has translated to an increase in demand for in- house training and consultancy that is increasingly workshop-based, providing the same feel for attendees as our other events, but with more focus on specific challenges.

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FINANCIAL REVIEW

Income generated during 2024-25 was 4% lower than 2023-24.

Earned income has continued to increase at a steady rate and is 8% higher than the previous year. HACT Insight, HACT Health, and HACT Digital have all shown growth during the year.

As a charity, our funds are classified as either Unrestricted funds or Restricted funds. Restricted funds are a reserve of money that can only be used for specific purposes. Restricted funds provide reassurance to donors/grantees that their contributions are used in a manner they have chosen. The timing of grant funds results in a positive income carried forward for unrestricted funds.

Income generated and raised during 2024-25 was £4,821,943 with £1,793,912 (37%) available for unrestricted purposes. Total expenditure was £5,749,278 with expenditure for unrestricted purposes of £1,949,519 (33%).

	2025	2024
Income		
Earned income	1,793,912	1,667,197
Unearned income	3,028,031	3,379,234
Total	4,821,943	5,046,431
Expenditure		
Raising funds	58,895	43,330
Charitable Activities	5,823,434	4,718,115
Adjusted for:		
IP tool amortisation*	(219,404)	(196,904)
Pension costs**	86,353	81,746
Total	5,749,278	4,646,287
Net result on normal activity	(927,335)	400,144

** The pension cost figure is the net of the employer contribution of £115,595 actually paid for the year and the defined benefit costs of £29,242 recognised as expenditure in SOFA both of which are set out in note 20 to the accounts.

HACT ended the year with a deficit of £927,335 on normal activities (as outlined in the table above). Together with the pension costs, IP amortisation and actuarial gain on the pension of £51,496 there is a total deficit of £721,674 as shown on the SOFA.

Investment Policy and Performance

In accordance with HACT's governing document the Trustees have the power to invest in such stocks, shares, investments and property in the UK, as it deems appropriate. HACT had no investments during the 2024-25 financial year.

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Pension

HACT participates in the Social Housing Pension Scheme (the Scheme), a multi- employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. From April 2013 staff have access to the defined contribution scheme. Before this date staff were members of the defined benefits scheme.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

The pension liability is now £422,240 and this appears on our balance sheet. This is lower than our liability last year (£560,089) due to payments into the scheme, payments out of the scheme (benefit payments and expenses) and investment return over the period. The performance of investment assets is subject to market conditions and can fall as well as rise. However, it is important to note that our operational position remains viable.

The pension scheme is not expected to crystallise at a single point in time and is affordable as long as annual contributions can be met. If the scheme were to crystallise, HACT's estimated debt on withdrawal as at 30 September 2024 is £1,021,355. The Trustees are aware of the risks of the pension scheme and have taken steps to ensure that a member of staff remains a member at all times.

The trustees of SHPS have communicated that an ongoing benefits review has identified that certain historic changes to scheme member benefits require clarification on whether scheme rules have been followed. The main issue is linked to the application of inflation changes and TPT is seeking direction from a Court ruling as to the correct interpretation of scheme rules with a ruling not expected in the Autumn 2025. An indicative assessment from TPT is that the impact on scheme liabilities could be an increase of approximately 3.9%. No provision has been made within the pension liability for this amount.

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HACTHAL

HACT has a fully owned trading subsidiary HACTHAL and the accounts include the results of HACTHAL, which includes licences for the UK Social Value Bank, UK Built Environment Bank, Retrofit Credits and sponsorship. The influence on the 2024-25 financial year is more material than previous years due to the sale of Retrofit Credits and this is expected to continue. Ongoing development of Retrofit Credits and Social Value Insight provides income opportunities which are growing over the coming years. As a result, the Trustees agreed at their meeting in May 2024 to appoint an Independent Director to the Board of HACTHAL, Andrew Cowan, following his resignation as a Trustee.

INTELLECTUAL PROPERTY

The Intellectual Property consists of our online data tools used by Housing Associations. Currently only one tool is valued, Social Value Insight.

Social Value Insight is an online product and a social value calculation, forecasting and reporting tool, used mainly by housing associations and others from related industries. It's basic functionality – measuring and forecasting social value – is not unique. However, some aspects are unique – access to the UK Social Value Bank, the UK Mental Wellbeing Bank, and now the UK Built Environment Bank.

It is the policy of HACT that Intellectual Property is only recognised as Intangible asset if it is probable that the expected future economic benefits that are attributable to the asset will flow to HACT and the cost or value of the asset can be measured reliably. The Intellectual Property was revalued in April 2025, with Social Value Insight valued at £1,032,000. (Please note, the valuation was higher than this figure but the valuation recorded includes the shared intellectual property with Simetrica-Jacobs of the content banks and this represents HACT's portion only).

Every three years we re-value the Intellectual Property, however, if we recognise a material impact in sales activity for any reason the Trustees may decide to do this earlier, given the development of new tools in the platform, however, this is not an immediate need. The next valuation of the platform is now due in 2028.

The investment in the platform continued across 2024/25 and with a number of features added to the solution. This included the incorporation of an AI Agent to help us educate and train users, the update and incorporation of version 6 of the UK Social Value Bank as well as the launch of the UK Built Environment Bank. Over the year, some historical investment in the Local Data Insight and Retrofit Credits platform have been amortised fully and written down as their useful life was completed from an IP valuation perspective. The costs associated with these investments has been allocated to a designated fund, the IP Reserves fund, with a value of £202,375

RESERVES POLICY

The Board are fully aware of the need to ensure HACT's ongoing and future viability. In order to provide consistently high quality and reliable services and innovation programmes, HACT must have at all times sufficient resources to finance planned activities, deal effectively with unexpected setbacks, and should also aim to have sufficient resources to take advantage of opportunities for expanding and improving its work.

The enterprise and innovation nature of HACT's business requires sufficient funds to manage cash flow risk, as well as adequate resources to invest in ongoing development and innovation. Any business heavily invested in Research and Development will require adequate reserves to invest upfront in new products and services.

HACT's policy is reviewed annually by the Board. HACT's policy covers the following areas:

1. The types of funds or reserves which HACT will retain and the reasons why;
2. How to assess and determine the required level of retained funds or reserves; and
3. What steps will be taken to create and maintain the required funds.

Assessment of Reserves Needs

For HACT we have two categories of funds:

- 1) Restricted funds: funds, which must be spent in accordance with the wishes or instructions of a donor or grant giving body.
- 2) Unrestricted funds: funds, which are expendable at the discretion of the Board in the pursuit of HACT's objectives. Within the unrestricted funds HACT aims to have three types of defined reserves:
 - a) Designated reserves: a reserve earmarked for a special purpose such as sector research and development.
 - b) General reserves: a reserve that can be used for any of HACT's purposes including day-to-day working capital needs.
 - c) Revaluation Reserve: a 'book' entry to reflect the value of the Social Value Insight platform as an asset.

In addition to ongoing organisational activity, HACT is required to carry the value of the Social Housing Pension Scheme, (SHPS) liabilities on its Balance Sheet. The Board aims to move to a position where the pension deficit is 'paid off' by 2030. It is important to note that the SHPS reserve provision indicates a shortfall, however the pension scheme is not expected to crystallise at a single point in time and is affordable as long as the agreed annual deficit contributions can be met, and HACT continues to use the scheme for at least one member of staff.

On the basis that there is not a short-term risk of crystallisation of the pension deficit, nor is there a short-term opportunity for the value of the SVI to be released (i.e. these are not 'liquid' reserves) the board has chosen not to set 'targets' for either of these reserves / funds.

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The board has agreed to target to hold a cash-backed general reserve of £400,000 in order to have sufficient resources to cope with unexpected financial shocks and set-backs. The board has aims to further build its financial resilience and has set a medium term goal to hold a designated reserve of £275,000 to allow it to respond to new opportunities and/or invest in research and innovation in support of its wider mission.

Finally, the board has adopted the policy that it should not be in a position where restricted grants are being used to fund unrestricted activity and if, at any time, the levels of cash held in the business are such that restricted funds have to be used to cover operating costs, a plan must be agreed to rectify this situation within no more than 90 days.

Below is details for the reserves from the audited accounts for year end, 31st March 2025.

Fund and Purpose	Basis of calculation	Reserves held on 31.03.2025	Reserves held on 31.03.2024
1) Restricted funds			
As specified by third parties	Amounts received / outstanding	£268,577	£1,106,762
2) Unrestricted funds			
a) General Reserves Covers the need for day-to-day working capital; unavoidable budget shortfalls; disruption of business; loss of income, etc.	Past experience, risk analysis / scenario planning – aim to hold a minimum level equal to the close down costs required less designated reserves.	£6,010	£230,160
b) Revaluation Reserves	Future amortization of Intellectual Property	£829,625	£554,834
c) Designated Funds			
IP Reserves	Designated for IP development costs capitalised	£202,375	£274,354
R&D Reserve	Provide investment into new products at risk	£0	£0
Total unrestricted funds, excluding pension reserve		£1,038,587	£1,059,348
Total funds, excluding pension deficit		£1,306,587	£2,166,110
3) Pension Reserve	The NPV of the SHPS Pension deficit payment liability. Provided by SHPS Actuary	(£422,240)	(£560,089)
Total reserves including pension liability		£884,347	£1,606,021

Of our current net assets of £1.3m, £269k is in our restricted fund with £1m sitting in the unrestricted reserves, of which £6k are cash reserves, £202k is historical costs invested in IP and £830k is in the Revaluation reserve. Board recognises that the total pension liability does not translate to a cash payment and that we will be able to cover payments on an ongoing basis. As such, unrestricted general funds will not be designated to cover this liability.

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With a robust and realistic annual budgeting process in place, the Executive and Leadership teams scrutinise budget and cashflow on a weekly and monthly basis. The Trustees recognise that the depletion of cash reserves over the last financial year create a significant risk for the organisation, and are confident that HACT is building its reserves in the short, medium and long term.

HACT has procedures in place to mitigate the risk of the pension liability crystallising. With the understanding that the liability will only crystallise at the point at which no member of staff is enrolled in the current scheme, Board and the Executive have agreed therefore that HACT will, if it becomes necessary, absorb the cost of a junior member of staff to join the existing scheme.

This policy is reviewed annually by the Board at the first meeting after the fiscal year end.

Our continuous improvement process for our policy follows the following steps:

- Review the effectiveness and proportional appropriateness of the policy.
- Review any external legislation or regulation requiring further improvement and incorporation into the policy.
- Consider our performance and records against the policy.
- Update Policy accordingly to next version on an annual basis.

Going concern

The Trustees have reviewed HACT's financial performance, forecasts and cashflow projections for 12 months from the date of approval of these financial statements and are satisfied that the charity has adequate resources to continue operating for the foreseeable future. The level of unrestricted free cash reserves at the end of March 2025 was lower than expected when the 2024/25 budget was approved and the Trustees have worked with the management team to address this concern over the last 12 months. The organisation has strengthened its financial controls, improved forecasting accuracy and embedded regular oversight by the Finance and Performance Committee into its Governance processes.

The Board recognised that the level of general funds reserves as at 31st March 2025 was lower than target and have resolved to strengthen the liquidity and financial resilience of the organisation. As part of this strategy HACT secured a bridging loan facility of £250K to support its liquidity. This was executed in October 2025 and is available for a period of six months and can be drawn down when needed. HACT has traditionally seen stronger performance in quarter three and four than the first half of the year and this facility has enabled the organisation to have the headroom to meet immediate cash flow needs whilst longer term resilience is rebuilt.

Significantly improved performance of Retrofit Credits forecast for 2025/26 and into 2026/27, following our successful tender onto the National Grid framework, and other major deals led by our partners PNZ, will help to replenish the low free cash reserve towards the end of the 2025/26 financial period.

A comprehensive reforecast for 2025/26 and a detailed draft budget for 2026/27 have been built up based on a conservative set of assumptions. Scenario testing has been completed to test the dependency and resilience in relation to more vulnerable income streams; and, across all scenarios, HACT maintains a positive cash position, strong liquidity, and sufficient reserves to meet commitments for the next twelve months.

Based on this assessment, the Trustees consider that HACT's financial and operational resilience supports the conclusion that the Annual Accounts 2024/25 can be signed on a going concern basis.

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Fundraising

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. HACT does not raise funds directly from the general public and does not actively solicit donations. We do not work directly with commercial sponsors but where commercial sponsorship is arranged for an event a clear contract is in place between the trading company (HACTHAL) and the commercial sponsor. The Trustees are not aware of any complaints made in respect of fundraising during the period.

Safeguarding

HACT believes that everyone we come into contact with, regardless of age, gender identity, disability, sexual orientation or ethnic origin has the right to be protected from all forms of harm, abuse, neglect and exploitation. HACT will not tolerate abuse and exploitation by staff or associated personnel.

HACT commits to addressing safeguarding throughout its work, through the three pillars of prevention, reporting and response.

In November 2018, the Trustees agreed a new Safeguarding policy which is reviewed annually. The policy is designed to protect people, particularly children and at-risk adults from any harm that may be caused due to their coming into contact with HACT. This includes harm arising from:

- The conduct of staff or personnel associated with HACT.
- The design and implementation of HACT's programmes, research and activities.

The policy lays out the commitments made by HACT and informs staff and associated personnel of their responsibilities in relation to safeguarding.

In support of our approach to safeguarding, we also have policies and procedures on bullying and harassment, and whistleblowing.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board reviewed the risk register in February 2024 and review it throughout the year. Risks are reviewed against our strategic plan and assesses and monitors the level of risk arising in the following areas, which the Executive Team recognises as interdependent:

1. **Governance and management risks:** HACT has a strong Board, supported by a small Executive Team with extensive experience in organisational development and leadership. It meets regularly to review business strategy, and receives regular reports on business performance, both in relation to its activities and its financial management. HACT undertook a governance review against the new Code of Governance in the 2018-19 financial year and as a result the membership of the Board has diversified to ensure it has both depth and breadth of experience, as complementary to the executive and leadership teams. HACT has also strengthened the expertise of its senior management and leadership team. We are now 3-years through the current strategic plan and the Board have robust oversight in place to monitor performance against the plan, ensuring HACT continues to be a sustainable business for the future.

2. **Operational risks:** The Board monitors closely HACT's capacity and credibility, including ensuring the resources and expertise are in place to deliver on our mission effectively. Key operational risks include the tension between immediate product sales and growth of key products and a longer-term development pipeline. As an organisation focused on innovation, protecting time and resources to develop new ideas and projects is important to ensure this is not completely subordinated by immediate cash flow pressures. These interdependent risks ultimately impact on sustainability, the viability of our partnerships and management of these relationships, over-stretch of existing capacity, staff retention and customer relationship management. We continue to assess our resource requirements and, where necessary, add new roles to the staff team. Partnership working, with existing and new partners, helps address capacity needs and ensures flexibility. We have reviewed all partnership agreements and are entering into new agreements where necessary.
3. **Financial risks:** With a fully embedded social enterprise model, HACT's primary financial risks are now two-fold: securing sufficient income and sales to deliver an operating surplus that delivers the mission and business plan; and delivering a strong credit control regime that ensures sufficient cash flow. With the reduction in cash reserves over the past 12 months, cash flow risk has been heightened and is a major area of focus of both Management and Trustees. The Finance and Performance Committee, a formal Board subcommittee, continues to operate effectively, supporting the Treasurer and Executive in managing the organisational finances, reviewing cash flow forecasts and managing deposits and investments. Income and sales targets have been set for key areas of work and are reviewed weekly, monthly and quarterly against the business plan. We continue to review and ensure our Credit Control system is effective to improve cashflow.
4. **External risks:** Ensuring HACT's continued relevance to and support from the social housing sector, including productive relationships with other sector bodies, is critical to the delivery of HACT's mission, and the sustainability of its income streams. HACT continues to invest heavily in building the necessary relationships with housing associations as the supporters, funders and customers of HACT. HACT also undertakes periodic market reviews, identifying major changes and new market entrants and products. The perception and reputation of HACT within the sector is another key area of focus. With significant attention on securing income and delivering projects, we also recognise the importance of explicitly communicating our impact and relevance to the sector through various media. HACT continues to invest in communications and marketing support as well as attendance at key events.
5. **Compliance with law and regulation:** The Board reviews HACT's Standing Orders periodically to ensure that the reporting framework and delegation of powers meet compliance requirements. The Board completed a fundamental review to ensure that HACT is operating within the new Code of Governance. Financial Policies and Procedures are also reviewed annually, and further improvements made to operational reporting arrangements in the last year.

PLANS FOR THE FUTURE

We are now in year four of our Strategic Plan. We continue to focus on growing the products, services and workstreams that are most successful, also reflecting on our role as a trusted partner and thought leader in the social housing sector, and what this means for the future. How we conceptualise our work, what we do, and how we relate to housing providers is more important than ever.

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With a new Government in place there is a renewed focus on housebuilding and planning reform, together with a longer-term settlement on rents for social housing tenants. Whilst it is too early to say what the impact of legislation and the impact of the spending review commitments to housing will be, we know that this is bringing forward new opportunities for HACT, the housing sector, and our communities.

We have reflected on HACT's work now and into the future, working alongside our partners and social housing organisations to address the challenges and opportunities ahead. We will continue to grow our offer, champion and enhance the social purpose of social landlords, and place social justice and social impact at the heart of our work.

Whilst we have seen positive changes in the policy environment for social housing, the operating environment continues to be challenging. Our work looking at enhancing collaboration and innovation within social housing, the launch of our Roadmap for sector innovation and collaboration and the launch of the new UK HIVE (Housing Innovation and Value Exchange) are all major programmes of future work that will drive innovation, sustainability and impact for social landlords.

Social Value Insight is proving to be an essential tool for all those who want to plan, record and report on the impact that they make. With the launch of the new UK Built Environment Bank, we will continue to seek ways to expand our reach and relevance in this area.

The importance and challenge of meeting Net Zero Carbon for social landlords is of critical concern. How we avert environmental catastrophe and ensure that our homes and our communities are sustainable for the future is an area that HACT will continue to explore. Our Retrofit Credits scheme will scale further this year, and we will continue to deliver on our place-based approach following the successful conclusion of pilot works with Energy Savings Trust.

With a renewed focus on our digital workstream, we will work with the sector to embed the UK Housing Data Standards through our sector collaboration. This is a critical area of work if landlords are to meet new regulatory and statutory requirements, improve services to their tenants and fully embrace the potential of digital transformation.

We will continue to deliver essential support to tenants through our Energy Hardship Fund. Having received a £3m allocation from the Energy Redress Scheme, we are keen to ensure that this essential support is available all year round. With energy costs having risen again in 2025, this will be needed now more than ever.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Housing Associations' Charitable Trust Limited (HACT) is registered as a charity; charity registration number: 1096829; company registration no: 4560091.

The charity is governed by its Memorandum and Articles of Association.

HACT's Standing Orders specify the planning and delivery framework and powers delegated to the Chief Executive.

HACT works throughout the United Kingdom predominantly in England and Wales, but also with partners in, Northern Ireland and Scotland.

HACT has a fully owned subsidiary (100% share capital) – HACT Housing Action Ltd (Company Registration Number 3616766).

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HACT's Memorandum and Article of Association make provision for 15 Board Members to be appointed, although it is the Board's policy to not exceed 11 members. The Board brings knowledge and experience in governance, financial and organisational management, marketing, communications and strategic development. It is mainly comprised of senior professionals working within social housing organisations.

HACT's Standing Orders explain the policy and procedures underpinning the appointment and conduct of the Board and robust procedures for Board induction.

The Board seeks to ensure a diverse group of Board Members given HACT's values and focus. This is achieved by monitoring and targeting groups to recruit a board which includes: women and black and minority ethnic representation; seeking younger people and people with fresh ideas and ways of thinking; and monitoring sexual orientation. Ideally at least one third of HACT's Board should be housing chief executives and/or senior housing personnel from across the regions.

HACT seeks to welcome new Board Members with an induction process that is both informative and supportive. The Board Member Induction, Support and Development policy and procedure outlines this process. A letter confirming the appointment will be sent with induction materials and information.

HACT recognises that Board and committee members are valuable assets and offers Board members a number of support mechanisms intended to assist them achieve and exceed its minimum standards of competency and contribution, and to facilitate continuous improvement in members' individual and collective performance.

The overall objective of Board Member induction, support and development is to optimise the contribution of the board to the work of HACT. This is achieved by:

- Identifying and recording skills, expertise and interests brought by Board Members to the board.
- Ensuring induction of new Board Members so they gain a good early understanding of how HACT operates and why; of its ethos and history, and of current issues.
- Providing personal support during the learning curve, primarily from the chair, senior staff, and from a fellow Board Member as a mentor.
- Ensuring all Board Members are aware of each other's skills, expertise and interests.
- Reviewing, after an appropriate induction period, areas in which Board Members wish to increase or reduce their level of contribution.
- Reviewing at appropriate times, with the chair, Board Members' contribution and to reach mutual agreement about renewal (or non-renewal) of terms of office.

The Board has established the Finance and Performance Committee, a sub-committee of the Board, with responsibility to oversee and scrutinise all financial and financial performance matters. The Finance and Performance Committee is chaired by the Treasurer.

The Board also established the Retrofit Credits Board Working Group. This was formed to provide greater oversight and involvement by the Board in the emerging Retrofit Credit product. This will continue until the end of 2025/26 and is then considered as business as usual activity under the oversight of the Finance and Performance Committee and the Main Board.

All day-to-day operational and management decisions of the organisation are delegated to the Chief Executive, Andrew van Doorn OBE, the Operations Director, Vicky Hoare and the Business Development Director, Matthew Grenier. HACT has in place comprehensive and robust financial management and control procedures with clearly defined delegated authorities and expenditure approval limits that are reviewed annually by the Treasurer.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

During 2019-20 the Trustees completed a review of governance in line with the Charity Governance Code published in July 2017. Board is satisfied that we are compliant with the Code and took this opportunity to also review standing orders and publish a new Governance Handbook, which has now been operationalised.

Remuneration policy for key management personnel

HACT has a remuneration policy for all staff which includes the Chief Executive, Operations Director and Business Development Director. In 2023 HACT undertook a salary benchmarking exercise to check that staff remuneration is fair and supports the recruitment and retention of high performing staff. The policy considers both internal and external factors and are reflected in the following Statement of Policy:

- The salaries and benefits paid by HACT will be fair and reasonable and in keeping with its position as a charitable organisation; salary decisions will be influenced by the funding constraints placed upon HACT as a charity.
- Salary policy will be linked to HACT's service objectives which will be supported by providing staff with terms and conditions which are effective in aiding recruitment and retention of quality staff.
- The principle of fairness will apply to all employment policy and processes and differentials will be based on clear differences in responsibility and market factors.
- Pay trends and market forces will be considered in determining salary levels as well as reference to charitable, voluntary, housing sector and other public sector comparisons, although there will be no one factor which automatically affects salary levels. A benchmarking exercise will be carried out every two years to ensure salary levels continue to be in line with similar organisations of a similar size.
- Staff will understand how pay is determined and be able to raise a grievance on pay and benefits decisions which directly affect them.

Salary levels are therefore set based on decisions which reflect the overall movement in 'cost of living' and pay trends in the marketplace, reviewed annually and are based on the Charity's ability to pay. HACT sets its own pay structure, and considers arrangements in other sectors, particularly the voluntary and housing sectors. HACT does not pay below the London Living Wage.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also directors of charitable company for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and hence for 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2025 was 10 (2024: 11). The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Statement as to disclosure to our auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

Sayer Vincent LLP was appointed as auditor for the 2024-2025 financial year.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on **25th November 2025** and signed on their behalf by;

.....
Sarah Thomas
Chair

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Independent Auditor Report

For the year ended 31 March 2025

Opinion

We have audited the financial statements of The Housing Associations' Charitable Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Housing Associations' Charitable Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Independent Auditor Report

For the year ended 31 March 2025

Other Information

The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report,

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Independent Auditor Report

For the year ended 31 March 2025

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, the finance & performance committee, which included obtaining and reviewing supporting documentation, concerning the charity's/ group's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity/ group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity/group from our professional and sector experience.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Independent Auditor Report

For the year ended 31 March 2025

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

27 November 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Consolidated statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 March 2025

		Unrestricted	Restricted	2025 Total	Unrestricted	Restricted	2024 Total
Income from:	Note	£	£	£	£	£	£
Donations and legacies	3	1,286	-	1,286	96	-	96
Charitable activities:	4						
HACT Local		83,909	-	83,909	35,620	-	35,620
HACT Insight		957,696	-	957,696	830,765	-	830,765
HACT Health		247,828	-	247,828	225,445	-	225,445
HACT Value		287,661	-	287,661	331,803	-	331,803
HACT Digital		113,883	-	113,883	66,758	-	66,758
HACT R&D		72,000	-	72,000	137,000	-	137,000
Charitable projects		27,991	3,028,031	3,056,022	39,256	3,379,234	3,418,490
Total charitable activities		1,790,968	3,028,031	4,818,999	1,666,647	3,379,234	5,045,881
Other income	5	1,658	-	1,658	454	-	454
Total income		1,793,912	3,028,031	4,821,943	1,667,197	3,379,234	5,046,431
Expenditure on:							
Raising funds	6a	58,895	-	58,895	43,330	-	43,330
Charitable activities:							
HACT Local costs		55,270	-	55,270	32,968	-	32,968
HACT Insight costs		1,128,604	-	1,128,604	830,558	-	830,558
HACT Health costs		224,292	-	224,292	311,742	-	311,742
HACT Value costs		337,395	-	337,395	306,540	-	306,540
HACT Digital costs		172,768	-	172,768	70,292	-	70,292
HACT R&D costs		31,190	-	31,190	47,453	-	47,453
Charitable projects costs		-	3,873,915	3,873,915	-	3,118,562	3,118,562
Total charitable activities		1,949,519	3,873,915	5,823,434	1,599,553	3,118,562	4,718,115
Total expenditure		2,008,414	3,873,915	5,882,329	1,642,883	3,118,562	4,761,445
Net income/ (expenditure) for the year	7	(214,502)	(845,884)	(1,060,386)	24,314	260,672	284,986
Actuarial gains/(losses) on defined benefit pension schemes	20	51,496	-	51,496	(94,644)	-	(94,644)
Gains on revaluation of intellectual property	10	413,499	-	413,499	-	-	-
Write-off IP costs	10	(126,283)	-	(126,283)	-	-	-
Transfer between funds	16	(7,699)	7,699	-	51,279	(51,279)	-
Net movement in funds		116,511	(838,185)	(721,674)	(19,051)	209,393	190,342
Balances brought forward		499,259	1,106,762	1,606,021	518,310	897,369	1,415,679
Total funds carried forward		615,770	268,577	884,347	499,259	1,106,762	1,606,021

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Balance sheet

As at 31 March 2025

Company registration no. 4560091

	Note	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Fixed assets:					
Intellectual property	10	1,032,000	1,032,000	829,188	829,188
Tangible assets	11	82	82	331	331
Investments	12	-	10,000	-	10,000
		<u>1,032,082</u>	<u>1,042,082</u>	<u>829,519</u>	<u>839,519</u>
Current assets:					
Debtors	13	597,244	527,575	694,711	641,416
Cash at bank and in hand		<u>222,085</u>	<u>157,406</u>	<u>1,314,085</u>	<u>1,286,222</u>
		<u>819,329</u>	<u>684,981</u>	<u>2,008,796</u>	<u>1,927,638</u>
Liabilities:					
Creditors: amounts falling due within one year	14	<u>(544,824)</u>	<u>(420,476)</u>	<u>(672,205)</u>	<u>(601,047)</u>
Net current assets		<u>274,505</u>	<u>264,505</u>	<u>1,336,591</u>	<u>1,326,591</u>
Net assets excluding pension liability		<u>1,306,587</u>	<u>1,306,587</u>	<u>2,166,110</u>	<u>2,166,110</u>
Defined benefit pension scheme liability	20	<u>(422,240)</u>	<u>(422,240)</u>	<u>(560,089)</u>	<u>(560,089)</u>
Total net assets / (liabilities)		<u><u>884,347</u></u>	<u><u>884,347</u></u>	<u><u>1,606,021</u></u>	<u><u>1,606,021</u></u>
Funds	16				
Restricted funds		268,577	268,577	1,106,762	1,106,762
Unrestricted funds:					
Designated funds		202,375	202,375	274,354	274,354
General funds		6,010	6,010	230,160	230,160
Revaluation reserve		<u>829,625</u>	<u>829,625</u>	<u>554,834</u>	<u>554,834</u>
Total unrestricted funds		<u>1,038,010</u>	<u>1,038,010</u>	<u>1,059,348</u>	<u>1,059,348</u>
Total funds excluding pension deficit liability		<u>1,306,587</u>	<u>1,306,587</u>	<u>2,166,110</u>	<u>2,166,110</u>
Pension reserves		<u>(422,240)</u>	<u>(422,240)</u>	<u>(560,089)</u>	<u>(560,089)</u>
Total funds		<u><u>884,347</u></u>	<u><u>884,347</u></u>	<u><u>1,606,021</u></u>	<u><u>1,606,021</u></u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part15 of the Companies Act 2006.

The parent charity's gross income and the results for the year are as follows:

	2025 £	2024 £
Gross income	4,483,740	4,855,024
Net (expenditure)/ income for the year	<u>(799,598)</u>	<u>130,685</u>

Approved by the trustees on **25th November 2025** and signed on their behalf by:

Sarah Thomas
Chair

Peter Marsh
Treasurer

The attached notes form part of the financial statements.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Consolidated statement of cash flows

For the year ended 31 March 2025

	Note	2025 £	2025 £	2024 £	2024 £
Cash flows from operating activities:					
Net cash provided by operating activities	a		(841,405)		657,331
Cash flows from investing activities:					
(Purchase) of fixed assets		(135,000)		(249,425)	
Pension contributions payments		(115,595)		(109,753)	
Cash (used in) investing activities			(250,595)		(359,178)
Change in cash and cash equivalents in the year			(1,092,000)		298,153
Cash and cash equivalents at the beginning of the year			1,314,085		1,015,932
Cash and cash equivalents at the end of the year	b		222,085		1,314,085

a) Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2025 £	2024 £
Net (expenditure)/ income for the reporting period (as per the statement of financial activities)	(1,060,386)	284,986
Depreciation	250	285
Amortisation	219,404	196,904
(Increase)/decrease in debtors	97,467	(71,146)
Increase /(decrease) in creditors	(127,382)	218,295
Pension costs	29,242	28,007
Net cash provided by / (used in) operating activities	(841,405)	657,331

b) Analysis of cash and cash equivalents

	At 1 April 2024 £	Cash flows £	Other changes £	At 31 March 2025 £
Cash at bank and in hand	1,314,085	(1,092,000)	-	222,085
Total cash and cash equivalents	1,314,085	(1,092,000)	-	222,085

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2025

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP FRS 102). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary HACTAL on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Going concern

HACT has generated a net surplus on unrestricted funds of £116,511, after pension gain of £51,496 and revaluation gains on IP of £287,216. Net operating deficit on normal activities was £927,335. At the end of the financial year there were defined benefit pension scheme liabilities of £422,240. Following the year end a thorough and detailed review of the financial position and future prospects was undertaken to safeguard the charity's future. The trustees believe that the pension's deficit shown on the balance sheet will not crystallise in the short term but is expected to be funded as necessary over the service lives of the related employees, through annual contributions. The trustees therefore consider it appropriate to prepare the financial statements on a going concern basis.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Income from the sale of tooling subscriptions is recognised at the point of invoice. Subscriptions are normally for a twelve month period so the whole of the income is recognised. Where a subscription is for a period greater than one year then part of the income falling outside of the current period is deferred.

Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2025

1 Accounting policies (continued)

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise of trading costs and the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising
- Expenditure on charitable activities includes the costs of delivering services, products and training and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Grants payable

Grant expenditure is recognised where there is a legal or constructive obligation to pay. All grants are recognised in the financial statements as liabilities after they have been approved, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the charity.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 6.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £300. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Fixtures and fittings	10 - 20%
Computer equipment	33%

Intellectual Property

Intellectual property is initially measured at cost and subsequently revalued and is included at valuation less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as intellectual property when all of the following criteria are demonstrated: the technical feasibility of completing the software so that it will be available for use or sale; the intention to complete the software and use or sell it; the ability to use the software or to sell it; how the software will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and use or sell the software; the ability to measure reliably the expenditure attributable to the software during its development.

The trustees consider a policy to revalue over a three years cycle as realistic and latest revaluation took place this year. The intellectual property is expected to have a further useful life of 6 years and will be amortised on a straight line basis over this period of time.

Investments

Investments in the subsidiary company are held at cost.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2025

1 Accounting policies (continued)

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pensions

Pensions: defined contribution

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately for those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of these contributions.

Pensions: defined benefit

The charity operates a defined benefit pension scheme. The cost of providing pension and related benefits is charged to the statement of the financial activities over the employees' service lives on the basis of a constant percentage of earnings which is an estimate of the regular cost. variations from regular cost, arising from periodic actuarial valuations are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. any difference between the charge to the statement of financial activities and the contributories payable to the scheme is shown as an asset or liability in the balance sheet.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Critical accounting judgements and key sources of estimation uncertainty

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.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2025

3 Income from donations and legacies

	2025			2024		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Donations	1,286	-	1,286	96	-	96
	<u>1,286</u>	<u>-</u>	<u>1,286</u>	<u>96</u>	<u>-</u>	<u>96</u>

4 Income from charitable activities

	2025			2024		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Invoiced sales						
HACT Local	83,909	-	83,909	35,620	-	35,620
HACT Insight	957,696	-	957,696	830,765	-	830,765
HACT Health	247,828	-	247,828	225,445	-	225,445
HACT Value	287,661	-	287,661	331,803	-	331,803
HACT Digital	113,883	-	113,883	66,758	-	66,758
HACT R&D	72,000	-	72,000	137,000	-	137,000
Total invoiced sales	<u>1,762,977</u>	<u>-</u>	<u>1,762,977</u>	<u>1,627,391</u>	<u>-</u>	<u>1,627,391</u>

Charitable projects

Abri Group	-	-	-	-	10,000	10,000
Arctica Partners	-	-	-	-	9,214	9,214
Ashden	-	-	-	-	10,000	10,000
Barrow Cadbury Trust	-	920	920	-	15,080	15,080
Clarion Housing Group	-	20,000	20,000	10,000	20,000	30,000
David & Ruth Lewis Family Charitable Trust	-	-	-	-	100,000	100,000
Energy Saving Trust	-	2,364,254	2,364,254	-	2,039,780	2,039,780
Family Fund Business Services	-	5,000	5,000	-	-	-
Fusion 21 Ltd	25,000	305,000	330,000	5,000	650,000	655,000
Gloucester City Homes	-	-	-	-	-	-
Hexagon Housing Association	-	-	-	-	-	-
Hyde Group	-	-	-	-	-	-
Independent Age	-	2,000	2,000	-	18,000	18,000
Joseph Rowntree Foundation	1,500	-	1,500	-	-	-
JP Morgan Chase Foundation	-	225,000	225,000	-	100,000	100,000
Metropolitan Thames Valley	-	10,199	10,199	-	-	-
Orbit Group	-	12,500	12,500	2,000	-	2,000
Peabody Community Foundation	-	50,000	50,000	6,000	-	6,000
Places for People Homes	-	-	-	5,000	-	5,000
PNZ Carbon	-	-	-	-	68,085	68,085
Scottish Federation of Housing Associations	-	-	-	-	300,000	300,000
Sovereign Network Group	-	20,000	20,000	-	-	-
St Ives Community Land Trust	1,491	-	1,491	4,470	-	4,470
Wandle Housing Association	-	-	-	-	5,000	5,000
Yorkshire Housing Limited	-	-	-	3,000	-	3,000
Other grants and misc income	-	13,158	13,158	3,786	34,075	37,861
Total charitable projects	<u>27,991</u>	<u>3,028,031</u>	<u>3,056,022</u>	<u>39,256</u>	<u>3,379,234</u>	<u>3,418,490</u>

Total charitable activities

<u>1,790,968</u>	<u>3,028,031</u>	<u>4,818,999</u>	<u>1,666,647</u>	<u>3,379,234</u>	<u>5,045,881</u>
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5 Other income

	2025			2024		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Other income	1,658	-	1,658	454	-	454
	<u>1,658</u>	<u>-</u>	<u>1,658</u>	<u>454</u>	<u>-</u>	<u>454</u>

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2025

6a Analysis of expenditure - current year

	Basis of allocation	Cost of raising funds £	Charitable activities		Support costs £	2025 Total £	2024 Total £
			Charitable projects £	Cost of Programme Sales £			
Staff costs	Direct/ Turnover	-	592,694	579,599	321,010	1,493,303	1,389,447
Grants award	Direct	-	3,085,621	-	-	3,085,621	2,299,701
HACT Local costs	Direct	-	-	7,511	-	7,511	1,518
HACT Insight costs	Direct	-	-	437,179	-	437,179	212,823
HACT Health costs	Direct	-	-	112,717	-	112,717	98,282
HACT Value costs	Direct	-	-	88,345	-	88,345	45,025
HACT Digital costs	Direct	-	-	109,762	-	109,762	26,300
HACT R&D costs	Direct	-	-	-	-	-	5,000
Direct Project costs	Direct	-	78,430	-	-	78,430	200,415
Fundraising costs	Direct	58,895	-	-	-	58,895	43,330
Support costs	Turnover	-	-	-	174,145	174,145	222,838
Amortisation costs	Direct	-	-	219,404	-	219,404	196,904
Governance costs	Turnover	-	-	-	17,017	17,017	19,862
		58,895	3,756,745	1,554,517	512,172	5,882,329	4,761,445
Support costs allocated		-	117,170	395,002	(512,172)	-	-
Total expenditure 2025		58,895	3,873,915	1,949,519	-	5,882,329	4,761,445
Total expenditure 2024		43,330	3,118,562	1,599,553	-	4,761,445	
						2025	2024
Grants award						£	£
Corporate grants awards paid in the year						3,085,621	2,299,701
						3,085,621	2,299,701

Details of the grants awards can be found in the Trustees' report.

HOUSING ASSOCIATIONS' CHARITABLE TRUST
Notes to the financial statements
For the year ended 31 March 2025

6b Analysis of expenditure - prior year

	Basis of allocation	Cost of raising funds £	Charitable activities		Support costs £	2024 Total £
			Charitable projects £	Cost of Programme Sales £		
Staff costs	Direct/Turnover	-	483,945	618,635	286,867	1,389,447
Grants award	Direct	-	2,299,701	-	-	2,299,701
HACT Local costs	Direct	-	-	1,518	-	1,518
HACT Insight costs	Direct	-	-	212,823	-	212,823
HACT Health costs	Direct	-	-	98,282	-	98,282
HACT Value costs	Direct	-	-	45,025	-	45,025
HACT Digital costs	Direct	-	-	26,300	-	26,300
HACT R&D costs	Direct	-	-	5,000	-	5,000
Direct Project costs	Direct	-	200,415	-	-	200,415
Fundraising costs	Direct	43,330	-	-	-	43,330
Support costs	Turnover	-	-	-	222,838	222,838
Amortisation costs	Direct	-	-	196,904	-	196,904
Governance costs	Turnover	-	-	-	19,862	19,862
		43,330	2,984,061	1,204,487	529,567	4,761,445
Support costs allocated		-	134,501	395,066	(529,567)	-
Total expenditure		43,330	3,118,562	1,599,553	-	4,761,445

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2025

7 Net expenditure for the year

This is stated after charging :

	2025	2024
	£	£
Depreciation	250	285
Amortisation of IP	219,404	196,904
Auditor's remuneration (excluding VAT) :		
Audit fees	14,100	13,425

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2025	2024
	£	£
Salaries and wages	1,256,922	1,171,050
Social security costs	139,883	128,212
Employer's contribution to defined contribution pension schemes	60,276	58,400
Defined benefit pension schemes costs	29,242	28,007
Redundancy and termination costs	2,704	-
Life insurance costs	4,276	3,778
	<u>1,493,303</u>	<u>1,389,447</u>

The following number of employees received employee benefits (excluding employer pension) during the year between:

	2025	2024
	No.	No.
£70,000 - £79,999	1	2
£100,000 - £109,999	-	1
£110,000 - £119,999	1	-

The total employee benefits including employer NIC and pension contributions of the key management personnel were £330,063 (2024: £303,121).

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil). Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £1,939 (2024: £4,826) incurred by 11 (2024: 11) members relating to food and travelling to meetings.

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2025	2024
	No.	No.
Charitable activities	23	24
Support and raising funds	2	2
Governance	1	1
	<u>26</u>	<u>27</u>

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2025

10 Intellectual property

	2025 £	2024 £
Value at the start of the year	1,181,425	932,000
Additions during the year	135,000	249,425
Write-off IP costs	(189,425)	-
Revaluation during the year	413,499	-
	<u>1,540,499</u>	<u>1,181,425</u>
Amortisation at the start of the year	352,237	155,333
Amortisation charge for the year	219,404	196,904
Write-off IP amortisation	(63,142)	-
	<u>508,499</u>	<u>352,237</u>
Net book value at the end of the year	<u>1,032,000</u>	<u>829,188</u>
Historical Cost	<u>294,750</u>	<u>349,175</u>

The intellectual property consists of the social value insight platform and the content banks contained within the platform. SVI is an impact measurement and valuation platform supporting the Housing, Charity and wider built environment sector. The IP was professionally valued as at 31st March 2025 by Valuation Consulting LLP, an independent valuation firm, at £1,032,000. Over this last three year period we have now fully amortised the LDI and Retrofit Credits platform investments with no residual IP retained within this valuation. The Historic cost of Intellectual Property is £294,750.

The trustees consider a policy to revalue over a three years cycle as realistic. The intellectual property is expected to have a useful life of 6 years and will be amortised on a straight line basis over this period of time.

11 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At the start and at the end of the year	6,344	1,868	8,212
At the end of the year	<u>6,344</u>	<u>1,868</u>	<u>8,212</u>
Depreciation			
At the start of the year	6,343	1,537	7,880
Charge for the year	-	250	250
At the end of the year	<u>6,343</u>	<u>1,787</u>	<u>8,130</u>
Net book value			
At the end of the year	<u>1</u>	<u>81</u>	<u>82</u>
At the start of the year	<u>1</u>	<u>330</u>	<u>331</u>

All of the above assets are used for charitable purposes.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2025

12a Investments

Investments at cost:	2025	2024
100% share capital of HACT Housing Action Ltd	£	£
10,000 ordinary £1 shares	10,000	10,000

The charitable company owns the whole of the issued share capital of HACTHAL, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. The subsidiary is exempt from audit by virtue of Section 479a of Companies Act 2006. A summary of the results of the subsidiary is shown below:

	2025	2024
	£	£
Turnover	338,203	191,407
Cost of sales	(260,207)	(131,677)
Gross Profit	77,996	437
Administrative expenses	(72)	(73)
Profit for financial year	77,924	336

Retained earnings

Total retained earnings brought forward	-	-
Profit for the financial year	77,924	59,657
Distribution under Gift Aid to parent charity	(77,924)	(59,657)
Total retained earnings carried forward	-	-

The aggregate of the assets, liabilities and reserves was:

Assets	151,381	83,920
Liabilities	(141,381)	(73,920)
Capital & Reserves	10,000	10,000

Amounts owed to/from the parent undertaking are shown in note 18.

12b Parent Charity

The parent charity's gross income and the results for the year are as follows:

	2025	2024
	£	£
Gross income	4,483,740	4,855,024
(Deficit)/Surplus for the year	(799,598)	130,685

13 Debtors

	Group	Charity	Group	Charity
	2025	2025	2024	2024
	£	£	£	£
Trade debtors	574,168	506,834	663,350	610,055
Other debtors	2,052	2,052	2,052	2,052
Prepayments	21,024	18,689	16,309	16,309
Accrued income	-	-	13,000	13,000
	597,244	527,575	694,711	641,416

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2025

14 Creditors: amounts falling due within one year	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Trade creditors	203,010	141,922	346,135	339,749
Taxation and social security	197,201	190,978	175,607	175,607
Other creditors	1,582	1,582	2,252	2,252
Accruals	110,530	36,460	89,136	21,602
Deferred income	32,501	32,501	59,075	59,075
Amount due to subsidiary	-	17,033	-	2,762
	<u>544,824</u>	<u>420,476</u>	<u>672,205</u>	<u>601,047</u>

Deferred income	2025 £	2024 £
Balance at the beginning of the year	59,075	42,300
Amount released to income in the year	(34,907)	(24,300)
Amount deferred in the year	8,333	41,075
Balance at the end of the year	<u>32,501</u>	<u>59,075</u>

Deferred income comprises of future subscriptions invoiced in 2024/25 but relating to future periods and investments in projects which will commence in 2025/26.

15 Analysis of net assets between funds - current year

	Restricted Reserves £	Unrestricted Reserves £	Revaluation Reserve £	Pension Reserve £	Total funds £
Tangible fixed assets	-	82	-	-	82
Intellectual property	-	202,375	829,625	-	1,032,000
Net current assets	268,577	5,928	-	-	274,505
Defined benefit pension (liability)	-	-	-	(422,240)	(422,240)
Net assets	<u>268,577</u>	<u>208,385</u>	<u>829,625</u>	<u>(422,240)</u>	<u>884,347</u>

Analysis of net assets between funds - prior year

	Restricted Reserves £	Unrestricted Reserves £	Revaluation Reserve £	Pension Reserve £	Total funds £
Tangible fixed assets	-	331	-	-	331
Intellectual property	-	274,354	554,834	-	829,188
Net current assets	1,106,762	229,829	-	-	1,336,591
Defined benefit pension (liability)	-	-	-	(560,089)	(560,089)
Net assets	<u>1,106,762</u>	<u>504,514</u>	<u>554,834</u>	<u>(560,089)</u>	<u>1,606,021</u>

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2025

16 Movements in funds

Current Year	As at the start of the year	Income & gains	Expenses & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Energy Redress - Fuel vouchers	968,644	2,496,889	3,339,414	-	126,119
Centre for Excellence	-	135,856	135,856	-	-
Rentflex	3,381	920	12,000	7,699	-
Age Friendly	98,000	12,000	110,000	-	-
Retrofit Credits	(23,264)	117,366	161,010	-	(66,908)
GreenSkills	60,001	225,000	110,275	-	174,726
Poverty Series	-	40,000	5,360	-	34,640
Total restricted funds	1,106,762	3,028,031	3,873,915	7,699	268,577
Unrestricted funds:					
Designated funds:					
IP reserves	274,354	-	206,979	135,000	202,375
Total designated funds	274,354	-	206,979	135,000	202,375
General funds	230,160	1,793,912	1,759,768	(258,294)	6,010
Revaluation reserves	554,834	413,499	138,708	-	829,625
Total unrestricted funds	1,059,348	2,207,411	2,105,455	(123,294)	1,038,010
Total funds excluding pension fund	2,166,110	5,235,442	5,979,370	(115,595)	1,306,587
Pension fund	(560,089)	51,496	29,242	115,595	(422,240)
Total funds including pension fund	1,606,021	5,286,938	6,008,612	-	884,347
Movements in funds					
Prior Year	As at the start of the year	Income & gains	Expenses & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Energy Redress - Fuel vouchers	574,701	2,914,054	2,520,111	-	968,644
Centre for Excellence	63,954	51,375	115,329	-	-
Rentflex	68,946	15,080	80,645	-	3,381
Age Friendly	91,250	183,200	176,450	-	98,000
Retrofit Credits	-	115,525	87,510	(51,279)	(23,264)
GreenSkills	98,518	100,000	138,517	-	60,001
Total restricted funds	897,369	3,379,234	3,118,562	(51,279)	1,106,762
Unrestricted funds:					
Designated funds:					
R&D reserves	75,000	-	-	(75,000)	-
IP reserves	-	-	58,196	332,550	274,354
Total designated funds	75,000	-	58,196	257,550	274,354
General funds	313,584	1,667,197	1,417,972	(332,649)	230,160
IP Revaluation reserve	676,917	-	138,708	16,625	554,834
Total unrestricted funds	1,065,501	1,667,197	1,614,876	(58,474)	1,059,348
Total funds excluding pension fund	1,962,870	5,046,431	4,733,438	(109,753)	2,166,110
Pension fund	(547,191)	-	122,651	109,753	(560,089)
Total funds including pension fund	1,415,679	5,046,431	4,856,089	-	1,606,021

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2025

16 Movements in funds (continued)

Restricted funds purpose:

The income of the charity includes grants received for specific restricted projects. The trustees' report includes a description of the activities of each project.

The balance for Retrofit Credits project is in negative, due to funds being received in arrears from the grant funder. Returns are submitted in arrears following the previous quarter, as such salary and support cost allocations have been made against the project in Q4 (Jan – Mar 25) and a claim submitted in June and funds received in July to cover the deficit.

17 Legal status of the charity

The charity is a company limited by guarantee incorporated in the UK and has no share capital. The registered office is 7-14 Great Dover Street, London. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

18 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

At 31 March 2025 an amount of £17,033 (2024: £2,762) was due to HACTHAL, the subsidiary of the Charity.

19 Operating lease note

The charity had no annual commitments under non-cancellable operating leases.

20 Defined benefit pension scheme liability

	2025 £	2024 £
Brought forward pension liability	560,089	547,191
Pension contributions paid during the year	(115,595)	(109,753)
Pension costs recognised during the year	29,242	28,007
(Gains)/ losses on defined benefit pension scheme	(51,496)	94,644
	<u>422,240</u>	<u>560,089</u>

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2025

20 Defined benefit pension scheme liability (continued)

	2025 £	2024 £
Social Housing Pension Scheme	422,000	560,000
The Growth Plan	240	89
	<u>422,240</u>	<u>560,089</u>

EMPLOYER: E3488 - HACT

PLAN: SOCIAL HOUSING PENSION SCHEME

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

	31 March 2025 (£000s)	31 March 2024 (£000s)
Fair value of plan assets	2,277	2,386
Present value of defined benefit obligation	2,699	2,946
Surplus (deficit) in plan	(422)	(560)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(422)	(560)

Reconciliation of opening and closing balances of the defined benefit obligation

	Period from 31 March 2024 to 31 March 2025 (£000s)
Defined benefit obligation at start of period	2,946
Current service cost	-
Expenses	4
Interest expense	138
Member contributions	-
Actuarial losses (gains) due to scheme experience	135
Actuarial losses (gains) due to changes in demographic assumptions	-
Actuarial losses (gains) due to changes in financial assumptions	(276)
Benefits paid and expenses	(248)
Defined benefit obligation at end of period	2,699

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2025

20 Defined benefit pension scheme liability (continued)

Reconciliation of opening and closing balances of the fair value of plan assets

	Period from 31 March 2024 to 31 March 2025 (£000s)
Fair value of plan assets at start of period	2,386
Interest income	113
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(89)
Employer contributions	115
Member contributions	-
Benefits paid and expenses	(248)
Fair value of plan assets at end of period	2,277

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was £24,000.

Defined benefit costs recognised in statement of comprehensive income (soci)

	Period from 31 March 2024 to 31 March 2025 (£000s)
Current service cost	
Expenses	4
Net interest expense	25
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	29

Defined benefit costs recognised in Other Comprehensive Income (OCI)

	Period from 31 March 2024 to 31 March 2025 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(89)
Experience gains and losses arising on the plan liabilities - gain (loss)	(135)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	276
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	52
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in Other Comprehensive Income - gain (loss)	52

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2025

20 Defined benefit pension scheme liability (continued)

Assets

	31 March 2025	31 March 2024
	(£000s)	(£000s)
Global Equity	255	238
Absolute Return	-	93
Distressed Opportunities	-	84
Credit Relative Value	-	78
Alternative Risk Premia	-	76
Liquid Alternatives	422	-
Emerging Markets Debt	-	31
Risk Sharing	-	140
Insurance-Linked Securities	7	12
Property	114	96
Infrastructure	-	241
Private Equity	2	2
Real Assets	273	-
Private Debt	-	94
Opportunistic Illiquid Credit	-	93
Private Credit	279	-
Credit	87	-
Investment Grade Credit	70	-
High Yield	-	-
Cash	31	47
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	1	15
Secure Income	38	71
Liability Driven Investment	689	972
Currency Hedging	4	(1)
Net Current Assets	5	4
Total assets	2,277	2,386

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key Assumptions

	31 March 2025	31 March 2024
	% per annum	% per annum
Discount Rate	5.73%	4.87%
Inflation (RPI)	3.13%	3.19%
Inflation (CPI)	2.76%	2.76%
Salary Growth	3.76%	3.76%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2025

20 Defined benefit pension scheme liability (continued)

SCHEME: The Pensions Trust – The Growth Plan

Present values of provision

	31 March 2025 (£s)	31 March 2024 (£s)	31 March 2023 (£s)
Present value of provision	240	89	191

Reconciliation of opening and closing provisions

	Period Ending 31 March 2025 (£s)	Period Ending 31 March 2024 (£s)
Provision at start of period	89	191
Unwinding of the discount factor (interest expense)	2	7
Deficit contribution paid	(91)	(109)
Remeasurements - impact of any change in assumptions	2	0
Remeasurements - amendments to the contribution schedule	238	-
Provision at end of period	240	89

Income and expenditure impact

	Period Ending 31 March 2025 (£s)	Period Ending 31 March 2024 (£s)
Interest expense	2	7
Remeasurements – impact of any change in assumptions	2	0
Remeasurements – amendments to the contribution schedule	238	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

Assumptions

	31 March 2025 % per annum	31 March 2024 % per annum	31 March 2023 % per annum
Rate of discount	4.84	5.31	5.52

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2025

20 Defined benefit pension scheme liability (continued)

Deficit contributions schedule

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

Year ending	31 March 2025 (£s)	31 March 2024 (£s)	31 March 2023 (£s)
Year 1	86	91	109
Year 2	86	-	91
Year 3	86	-	-
Year 4	-	-	-
Year 5	-	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

England & Wales - Charity number 1096829

Accounts

Registered Charity No.1096829
Registered Company No. 4560091 (England and Wales)

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2024

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

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THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

LEGAL AND ADMINISTRATIVE DETAILS

The Housing Associations' Charitable Trust Limited (HACT) is registered as a charity; charity registration number: 1096829; company registration no: 4560091.

The charity is governed by its Memorandum and Articles of Association.

Board members who served during the financial year (1 April 2023 – 31 March 2024) and up to the date of this report, approved these accounts on 19th September 2024:

Gavin Cansfield (Chair)
Kalwant Grewal (Treasurer)
Jules Bickers
Mary Gibbons
Rachel Honey-Jones
Shaun Holdcroft
Andrew Cowan – resigned 21st May 2024
Michelle Levi
Michelle Dawson
Caroline Pillay
Nigel Wilson
Gemma Bell – appointed 21st May 2024

Other legal and administrative details

Chief Executive & Company Secretary: Andrew van Doorn OBE

Key Management personnel: Andrew van Doorn OBE
Jacqui Bateson
Matthew Grenier

Registered office: Canopi
7 - 14 Great Dover Street, London
SE1 4YR

Auditors: Sayer Vincent LLP
110 Golden Lane
London
EC1Y 0TG

Bankers: Unity Trust Bank plc
9 Brindley Place
Birmingham
B1 2HB

Solicitors: Bates, Wells & Braithwaite
2 – 6 Cannon Street
London
EC4M 6YH

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

CHAIR'S INTRODUCTION

I am pleased to present HACT's Annual Report for 2023-24 financial year. This will be my last annual report as I step down at the AGM in November after 9 years as HACT's Chair.

HACT is an organisation that I am incredibly proud to have been the Chair of. We are passionate about the essential role that social landlords play in their communities and are delighted to champion all that they do. But we are not an organisation that rests on its laurels, having a rapacious appetite for improvement, transformation and innovation.

Over those 9 years, HACT has gone from strength to strength. We have grown our impact, created new tools and services, developed sector leading collaborations, and delivered major innovations. All of these are driving transformation in how we measure social value, improve data quality, invest in our communities, and finance the retrofitting of our homes. Most critically, we have provided essential support for the social housing sector, its residents and communities, during some of the most challenging of times.

Having agreed a new five-year Strategy and Corporate Plan in 2022, we are focused on delivering our vision for a vibrant and high-quality housing sector that provides great affordable homes and builds successful communities where people can thrive. Working in partnership with social landlords is at the core of our approach - supporting them to drive impact and unlock their full potential and social purpose is central to our mission.

Housing is a fast-changing environment. The election of a new government with a renewed focus on housing and planning brings many opportunities. However, this comes at a time when the social housing sector is facing multiple challenges and unprecedented pressure. The demands and expectations from our residents, our people, our stakeholders and the wider society is growing. We have a housing crisis and a new opportunity to step-up but the financial pressures on social landlords will make responding to that challenge a real test of business resilience.

As long-term businesses, rooted in their communities, social landlords have a lot to do. The country is crying out for more genuinely affordable homes, poverty and health inequalities are worsening. Communities feel fragmented with an ongoing cost-of-living crisis that creates pressure and stresses in families across the UK.

For many people working in social housing, often at the coalface of communities under pressure, it has never felt so tough. Resources are being squeezed as demands and expectations are placed on social housing providers from multiple directions. Relationships with tenants are being transformed as regulatory relationships are recast. Tenant expectations are being driven up with a stronger emphasis on speedy resolution and redress.

Growing and managing the homes we need is testing asset management and development strategies to the limit, whilst homelessness and demand continues to rise. Building and fire safety, decarbonization and investing in existing homes are huge financial and operational challenges. Development and regeneration is struggling as we go back to the drawing board to meet new building safety requirement. All while concerns around viability grow.

Over the past year, we have delivered on some major sector-wide collaborations, as well as continuing to sow the seeds for the future. Our UK Social Value Bank continues to grow with a new Built Environment Bank recently launched.

We continue to support the sector's response to the cost-of-living crisis through our Centre for Excellence in Community Investment. To date we have distributed over £4.5m in fuel support, through both fuel vouchers and debt write off schemes with a network of 190 social landlords.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

Our focus on health and housing continues to be sector leading. By brokering new collaborations between the NHS and social housing and giving NHS Trusts the tools to reform the way they work, we are helping to deliver greater integration that addresses health inequalities and promotes improved outcomes in our communities.

Last November we were delighted to be awarded the Ashden Award for Energy Innovation (UK), for our Retrofit Credits work. Working in partnership with PNZ Carbon, we have launched the first carbon credit in the world that seeks to accelerate the decarbonisation of homes. We have demonstrated that retrofitting housing can reduce carbon and improve wellbeing through greater energy efficiency and more affordable warmth.

Social landlords are long-term, asset-based anchor institutions, and whilst they and their residents face many challenges, it is through working collaboratively with each other and their partners in the public, private and voluntary sectors that they will deliver long-term solutions.

Delivering our impact takes commitment and dedication from all involved and on behalf of the Board, I want to acknowledge and thank the staff team for their fantastic work over the year. Their expertise, enthusiasm and incredible hard work has ensured our continued success and ability to adapt and thrive. I want to thank my fellow board members for their commitment and passion and thank all our partners and supporters who continue to see the value of collaboration and transformation.

Gavin Cansfield
HACT Chair
19th September 2024

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees (Board), who are also directors under company law, present their report and financial statements for the year ended 31st March 2024.

The Board confirm that the financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

OBJECTIVES AND ACTIVITIES

The Memorandum and Articles of Association give the board members discretion to do anything providing it is "charitable". The activities of HACT are not necessarily restricted to one particular field of work and can operate world-wide if desired.

We strongly believe that the non-profit social housing sector, which provides one in five homes across England, provides a unique and valuable route through which support can be provided to those who need it most, often people and families who find themselves homeless, those with additional vulnerabilities, older people, those in need of care and support, and those on low incomes. Most fundamentally through the provision of a home – a universal need – but also through investing in support for individuals and communities across the country.

We seek to fulfil our charitable mission by providing a focus for ideas and innovation, collaboration and insight. We create products and services and run UK-wide projects with the sole aim of helping social housing providers deliver more effectively to the individuals and communities they support. We are proud of having built a business capable of delivering that mission through everything that we do.

PUBLIC BENEFIT

HACTs vision is for a vibrant and high-quality housing sector that provides great affordable homes and builds successful communities where people can thrive.

Our mission is to support the sector to enable, enhance and unlock the full potential of its social purpose and respond creatively to the challenges faced by people and their communities.

We create collaborations in and outside of the sector that embrace innovation. By working creatively together, we drive impact for residents through their landlords and the partnerships they create.

We provide a focus for ideas, insight and leadership: creating projects, products and services that supports transformation and challenges ourselves in our drive for excellence.

HACT is a charity and social enterprise who partners with organisations across the housing sector to drive value for residents and communities through insight-led products and services which encourage innovation and foster collaboration.

We help them measure their social value, better understand the communities they serve and connect with like-minded organisations.

We are passionate and optimistic leaders in housing who fundamentally believe in the transformative potential of the social housing sector.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

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FOR THE YEAR ENDED 31 MARCH 2024

HACT has supported the sector to develop and grow for sixty-four years. We are a dynamic and leading agency focused on unleashing the transformative power of the social housing sector. We have always believed in and focused our energy and resources on driving forward its social purpose.

We support people, communities and organisations to explore new ideas and develop the solutions for tomorrow. As we move forward in the next five years, our passion and optimism is undiminished, and our commitment to social housing and social justice is unwavering. We believe that residents and communities deserve nothing less than excellence, and we will challenge ourselves and support sector-wide transformation to achieve it.

The impact of the sector doesn't end at the door of the homes they provide, and nor do we. There are many people and organisations who have a stake in creating successful places where people can thrive. These include local authorities, the NHS, the third sector, local businesses, investors, developers, tech providers, and those who provide services to housing providers.

Our collaborations drive value for organisations, residents and communities. And new partnerships are needed to address the challenges we face today and tomorrow. A connected and collaborative sector that embraces new ideas and opportunities, is at the core of our vision for housing.

The Trustees have paid due regard to the guidance issues by the Charity Commission in deciding what activities the charity should undertake. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trustees consider the current activities deliver public benefit. Details of the objects which form the basis of this are given in this report.

ACHIEVEMENTS AND PERFORMANCE

In 2022 the Board agreed its new Strategic Plan 2022 – 2027. This was an opportunity for HACT to reflect on its charitable purpose and mission, our role within the sector, and identify our priorities for the future. Our Strategic Plan is a growth plan, in both impact and income, and we have set three Strategic Objectives:

1. Grow our products, services and projects that deliver on our mission and builds our sector's impact
2. Build and engaged and high performing team
3. Develop a more sustainable and agile business that invests in the future for HACT and the sector

These Accounts outline the results of the second year of our five-year plan. HACT's charitable activities and our impact continues to manifest in the variety of ways we work to support the sector to deliver on its social purpose. We develop tools and products that provide insights to aid decision-making that drives impact; we provide value-adding consultancy that helps organisations to build their own capacity; we act as a broker between sectors, offering insights, advice and guidance; we provoke and challenge through thought leadership; we enable sector-wide collaboration and develop projects through our networks that are focused on innovation and impact; we invest in R&D to create new impact-based products; we deliver masterclasses and training; we curate quality events; and we consistently explore how to generate and deliver new ideas.

All this work is centred on the fundamental aim to help housing providers drive change within their own businesses, invest in their tenants and communities, and to unlock the ways they can achieve their social purpose.

We structure our work around six areas – Social Value, Community Investment, Health and

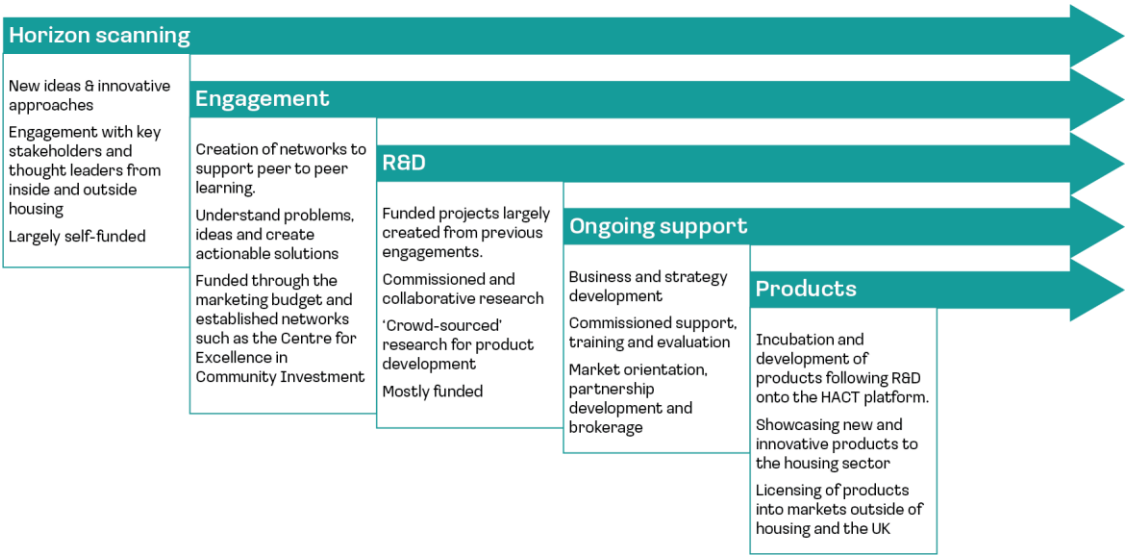
THE HOUSING ASSOCIATIONS' CHARITABLE TRUST
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FOR THE YEAR ENDED 31 MARCH 2024

Housing, our Insight tools, Data, and Net Zero Carbon. We also seek to innovate in new areas, both planned and opportunistically, as new issues and concerns arise, and include a research and development pipeline across all these areas of work.

We mainly work with large and medium sized social landlords and are increasingly expanding our work with those sectors and organisations that work with housing, where we play a significant brokerage role. This includes work with developers and organisations in the housing supply chain, NHS service providers, local authorities, the public sector, and the broader community and voluntary and social enterprise and faith sectors. Social landlords are at their best when they are collaborating and working together in the communities where they work.

Our networks and our breadth and depth of expertise enable us to support other sectors to understand the businesses and priorities for social housing and their tenants, explore how they can drive impact and social value, and to find ways of working creatively to generate impactful solutions.

Our approach can be conceptualised in several iterative stages:



Social Value (HACT Value)

HACT has pioneered the Wellbeing Valuation approach to social value for twelve years. This ensures the focus for social value measurement is about the impact that people experience in their lives and communities. HACT is the leading social value advisor in the housing sector. We have a reputation for designing robust credible methodologies that provide powerful and actionable insights. With our new UK Social Value Bank, we are supporting organisations to place social value insights, understanding and evidence at the heart of decision making. By delivering on the ambition of our Social Value Roadmap, our social value approach is addressing key business challenges, demonstrating how social value insight can improve services and influence policy in the housing sector and beyond.

Back in 2012 HACT worked collaboratively with Simetrica-Jacobs to develop the repository of values within the UK Social Value Bank, which were and continue to be generated using the Wellbeing Valuation

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Model. The UK Social Value Bank (UKSVB) remains the largest bank of methodologically consistent values that exists globally. It's robust and reliable approach, along with its accessibility to any organisation wishing to use it has meant that it's importance and recognition has grown significantly over the years. Wellbeing Valuation is recognised in the supplementary guidance on valuing wellbeing to the Government's Green Book.

In June 2022 we launched the New UK Social Value Bank. This included updating all of the values available, creating new environmental outcome values, and adding Exchequer Valuation (the savings to the State). Over the course of the 2023/2024 financial year, we developed a new suite of values aimed specifically at the built environment, known as the UK Built Environment Bank (UKBEB). Launched in July 2024, these values support good practice in the creation and measurement of social value through the wider built environment, in construction, regeneration, retrofit and their complex supply chains.

The values in the UKSVB are free for housing associations to use, and are licensed to others, through our trading subsidiary HACTHAL. The UKSVB and UKBEB are housed in our Social Value Insight tool within the HACT online platform. The tool allows organisations to easily define, forecast, capture and record the social value they create across their business. It includes the ability to engage with an organisations partners and key stakeholders to ensure data can be collected seamlessly and efficiently. We provide a range of consultancy, training, certification, networks and guidance around social value.

Our approach has made it simpler to manage social value measurement across the whole organisation, including through procurement. Developed collaboratively to ensure it aligns well with user expectations and provides an excellent experience, this helps organisations to truly bring together a strategic organisational-wide approach to social value.

Utilising our first-class research skills, we have undertaken a number of commissions to enable organisations to explore their organisational approach to social value, bringing in community investment strategies alongside this. In addition, we continue to support organisations to improve their skills, knowledge and understanding of social value through support services and training.

The profile of social value impact measurement continues to be highly relevant and HACT is a leader in this space. We have seen interest in our approach grow beyond social housing into the wider housing supply chain and beyond. Our social value conference continues to be popular with attendance at c. 600 during the year.

Community Investment (HACT Local)

Community Investment is at the heart of HACTs work that supports housing associations in the worth they do in communities. Community investment is a key expression of the sector's social purpose with housing providers continuing to demonstrate their commitment to people and places. Investment in communities naturally aligns with social value impact measurement and we bring this thinking together in our work.

We set-up and launched Centre for Excellence in Community Investment in 2018 to champion and supports community investment in the UK. It now involves over 240 organisations. Our approach to networks is increasingly focussing on creating environments where specific areas of opportunity and challenge can be shared and examined, sometimes leading to major innovation projects to explore.

The Cost-of-Living Crisis continues to impact acutely on people living in social housing, and their communities. The role of Community Investment has therefore never been more important. But

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

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FOR THE YEAR ENDED 31 MARCH 2024

so has the need to innovate and collaborate in this space. Providing a space to identify issues and solutions, and bring organisations together to collaborate, is at the core of our work.

During the year, we have worked on a number of projects which support communities:

Age Friendly Social Housing Programme – a 2-year project in Southwark, Bradford, and Bournemouth, Christchurch and Poole, exploring how to embed a greater emphasis on supporting older people within the community investment programmes of housing associations. By creating vibrant local partnerships, we can help older people stay in their homes for longer.

Green Skills – a new 3-year project, locally based in Bournemouth, which is testing a number of ways in which housing associations can support their tenants into training, education and employment opportunities in the emerging green skills sectors.

Rentflex – completing the pilot of a tool which enables residents to manage their rent payments to minimise the likelihood of arrears. A number of key stakeholders and partners were involved in this work and key learning captured through an independent evaluation.

Food Insecurity – establishing a new network in London between housing associations and the Felix Project to address the growing concerns around food poverty and insecurity. The project is funded by one of London's leading social landlords, Peabody, who have committed to a further three years support.

Addressing Fuel Poverty

Fuel poverty has been a significant feature since the pandemic and continues to be fuelled by high energy costs and the cost-of-living crisis. To ensure that people living in social housing can access the right support, the Centre formed a collaboration with housing organisations to channel fuel vouchers to those in greatest need. Over the course of the year, we have received and distributed vouchers through our UK based network of 165 housing providers. In the 2023-24 financial year we received an allocation of funding of £3m from Energy Redress Scheme administered by the Energy Savings Trust and £300k from the Scottish Government, via the Scottish Federation of Housing Associations. We have also received additional support from the Fusion21 Foundation and other charitable trusts. Overall, 7,202 households were supported with over £2.1m.

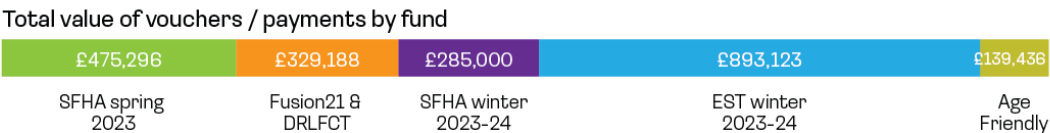
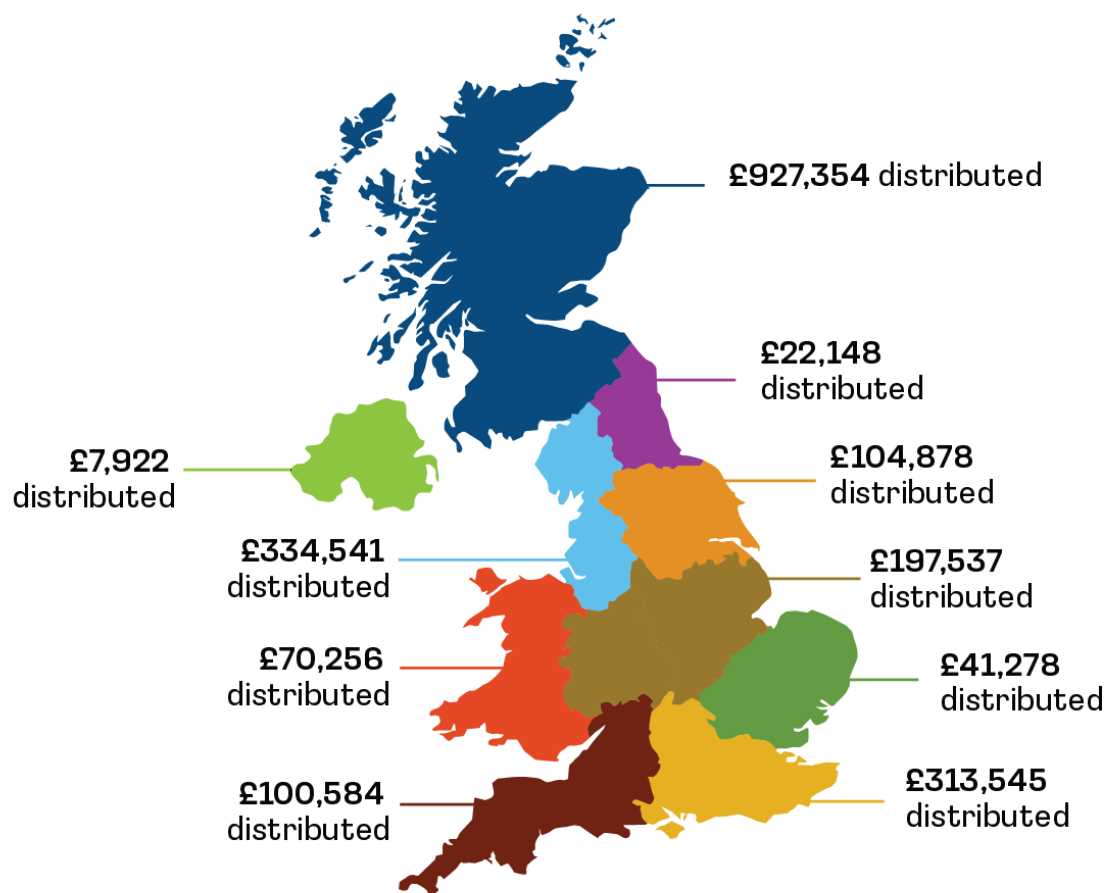
During the year, with their generous support, we were able to deliver both energy vouchers as well as support whole debt write-off for some tenants. Housing providers really appreciate our role in securing and administering hardship support. It enabled resources to get into the direct hands of their tenants quickly and efficiently. It demonstrates the impact that HACT can have with the sector when working collaboratively through our networks and is a role that we will continue to take forward.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST
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FOR THE YEAR ENDED 31 MARCH 2024



Energy Hardship Funds fuel vouchers distributed 2023-24

Total value of vouchers / payments:	£2,122,044
Number of households supported:	7,202
Number of vouchers / payments:	25,366
Number of organisations distributing:	165



THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

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FOR THE YEAR ENDED 31 MARCH 2024

Health and Housing (HACT Health)

The connection between housing and health has never been so important. HACT Health supports housing associations and NHS providers to develop new relationships that lead to major improvements in healthcare for their residents.

Our work with NHS Trusts and their commissioners continues to grow and evolve. We support both shorter-term engagements to broker new relationships between the NHS and housing, and longer-term transformation to embed new expertise and approaches. We commonly work with NHS Trusts, Commissioners, Local Authorities (both social care and housing) and public health teams. We support them with strategy development, market engagement and brokerage, care pathway re-design, evaluation of services, and strategic partnership development.

A key focus of our work is on supporting people with acute mental ill health, learning disabilities, and autistic people, to live successful lives in the community. We are leading expert in this field and have worked extensively across the country in supporting care pathway redesign and pioneering new services.

With increasing demand on NHS services, we have also worked throughout the year to develop and support new collaborations and unlock the opportunities of more integrated care. We have supported collaboration in Cheshire and Merseyside, Bedford, Luton and Milton Keynes, Worcestershire and in the Black Country. These collaborations place health inequalities at the forefront of their work and work creatively to expand the impact that housing associations have through their community investment roles.

Increasingly, issues of damp and mould and the impact that this has on respiratory health are becoming a focus of local collaborations. During the year we explored with the energy Systems Catapult how Warm Homes on Prescription could be extended to social housing tenants and continue to look at how better information sharing between health and housing providers can better target those with the greatest need of support and home improvement.

Insight Tools (HACT Insight)

We focus on providing affordable and easy to access and use insight products for staff in housing and their partners. These tools are designed to help organisations to invest in their communities, demonstrate their impact and improve the services for tenants.

Social Value Insight is the vehicle through which we deliver the UK Social Value Bank and the new UK Built Environment Bank. It provides organisations with a platform through which they can plan, monitor and manage and report on their social value activity. SVI not only houses the UKSVB and UKBEB, it also provides learning modules, guidance and use cases for applying social value measurement to a whole range of activity. This includes developing and managing homes, addressing homelessness, delivering community investment, resident involvement and support, and many more. It also helps organisations with their procurement of goods and services, and partnerships for major regeneration programmes.

With easy to use functionality and powerful metrics that we continue to expand, Local Data Insight is a tool not just for the housing sector, but for anyone who wants to better understand, forecast and monitor the social value they great.

Our research activity is also a key part of HACT Insight. As well as undertaking evaluations for housing associations of their work and impact, we aim is to look at bigger issues of wider relevance to the sector. This includes work with organisations like Shelter to understand the value of

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

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FOR THE YEAR ENDED 31 MARCH 2024

affordable housing, in Scotland and in England.

Over the course of the year, our partnership with OCSI came to an end. During the year, we built and launched a new tool, within the HACT Platform, Local Data Insight. This is a data mapping tool which features live dashboards, enabling organisations to better understand the communities they work in. We have collaborated with our strategic partners Mindset AI and Data Futurists to create a tool which is insightful and scalable, and our aim is to continue to build on this functionality.

Digital (HACT Digital)

We have been working since 2016 to provide an answer to the perennial complaint of 'bad' data in the sector. Working with OSCRE, we have collaborated with over a hundred housing associations to develop the UK Housing Data Standard. The standard now covers seven domains covering everything from core customer data; voids allocation; income and service charge collection and care and support, to all things related to the building; planned and reactive repairs and development handover.

We continue to engage at the highest level with the UK Housing Data Standards, with Government and the sector, to support its adoption and use. In the past year we have seen an increased interest in data and data quality from the sector and we are working closely with our strategic partner Data Futurists to ensure we have the right tools and services in place to support organisations in creating and using good quality data.

We have formed a Data Practitioners Group, whose focus is on moving the sector forward, and we are planning the expansion of our work and support to housing providers, so that they can meet their new statutory and regulatory responsibilities around building safety and tenant engagement.

Retrofit Credits (Net Zero Carbon)

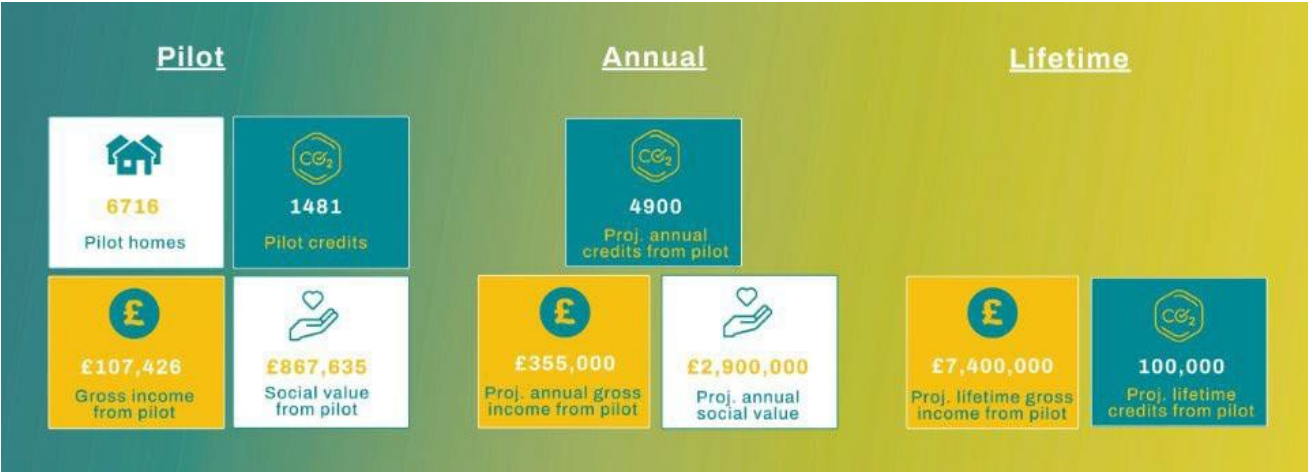
The Climate Crisis is a significant challenge for our people, places and planet. For housing, there is a need to decarbonise our homes, which could cost around £300bn in the next 20 years. Achieving Net Zero is a key challenge, and a key opportunity for social landlords, and is a new area of our focus and innovation.

Over the course of the year, we completed our first pilot of our new product, Retrofit Credits. This is a voluntary carbon crediting scheme which supports the de-carbonisation of homes through retrofit activity. It combines a carbon reduction methodology with our UK Social Value Bank, demonstrating that retrofit activity not only reduces carbon, but also improves wellbeing of the people living in them. In partnership with PNZ Carbon (formerly Arctica Partners Ltd), we completed a full cycle of Retrofit Credit generation and sale, registered with the international agencies VERRA. 1481 credits were generated, representing the reduction of 1481 tonnes of CO₂. Annualised these equals 4,900 tonnes of CO₂ reduced £2.9m of social value created.

We have now moved into the full scale-up of the programme, with a pipeline of retrofit work that equates to a reduction of over 100,000 tonnes of CO₂. We have also secured further grant funding from the Energy Savings Trust to support the development of a Place Based Model for decarbonisation, incorporating Retrofit Credits. This will involve looking at how local business can support the local retrofitting work of social landlords through off-setting. This is an ongoing project testing a variety of approaches in different UK locations.

THE HOUSING ASSOCIATIONS’ CHARITABLE TRUST
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Results from the Retrofit Credits Pilot



In November 2023 we were delighted to have been awarded a prestigious Ashden Award for Energy Innovation (UK). The Ashden Awards support and recognise climate innovation in the UK and across the global south.

Events, masterclasses and learning

We continue to run a range of events, seminars and learning programmes. With all activity now online, we have been able to reach a much wider audience and engage more people in more frequent learning activity. Other than our longer-term learning development programmes and our social value masterclasses, all other events and webinars were free to attendees.

With PlaceShapers, Adecco and Anthony Collins Solicitors we continue to deliver the NED Network for Housing. This peer-led network provides a space for Board Members of Housing Associations to explore key governance and strategic issues and keep up-to-date with developments inside and outside of the sector.

Our approach to events and learning has translated to an increase in demand for in- house training and consultancy that is increasingly workshop-based, providing the same feel for attendees as our other events, but with more focus on specific challenges.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

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FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL REVIEW

Income generated during 2023-24 was 42% higher than 2022-23.

Earned income has continued at a steady rate in line with forecasts across the year with notable increases in HACT R&D and HACT Value largely due to our work to develop the Local Data Insights tool and the UK Built Environment Bank. HACT Insight income was negatively impacted by the loss of renewal income arising from the Community Insight tool, now retired.

As a charity, our funds are classified as either Unrestricted funds or Restricted funds. Restricted funds are a reserve of money that can only be used for specific purposes. Restricted funds provide reassurance to donors/grantees that their contributions are used in a manner they have chosen. The timing of grant funds results in a positive income carried forward for unrestricted funds.

Income generated and raised during 2023-24 was £5,046,431 with £1,667,197 (33%) available for unrestricted purposes. Total expenditure was £4,761,445 with expenditure for unrestricted purposes of £1,642,883 (35%).

	2024	2023
Income		
Earned income	1,667,197	1,616,627
Unearned income	3,379,234	1,938,585
Total	5,046,431	3,555,212
Expenditure		
Raising funds	43,330	33,486
Charitable Activity	4,718,115	3,038,203
Adjusted for:		
IP tool	-196,904	-271,333
Pension costs**	81,746	86,195
Total	4,646,287	2,886,551
Net result on normal activity	400,144	668,661

** The pension cost figure is the net of the employer contribution of £109,753 actually paid for the year and the defined benefit costs of £28,007 recognised as expenditure in SOFA both of which are set out in note 20 to the accounts.

HACT ended the year with a surplus of £400,144 on normal activities (as outlined in the table above). Together with the pension costs, IP amortisation and actuarial loss on the pension of £94,644 there is a total surplus of £190,342, as shown on the SOFA.

Investment Policy and Performance

In accordance with HACT's governing document the Trustees have the power to invest in such stocks, shares, investments and property in the UK, as it deems appropriate. HACT had no investments during the 2023-24 financial year.

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Pension

HACT is a member of the Social Housing Pension Scheme operated by the Pensions Trust. From April 2013 staff have access to the defined contribution scheme. Before this date staff were members of the defined benefits scheme.

As noted, the full assets and liabilities of the SHPS scheme are now calculated for each employer. The pension liability is now £560,089 and this appears on our balance sheet. This is higher than our liability last year (£547,191) due to payments into the scheme, payments out of the scheme (benefit payments and expenses) and reduced investment return over the period. The performance of investment assets is subject to market conditions and can fall as well as rise. However, it is important to note that our operational position remains viable.

The pension scheme is not expected to crystallise at a single point in time and is affordable as long as annual contributions can be met. The Trustees are aware of the risks of the pension scheme and have taken steps to ensure that a member of staff remains a member at all times.

We were prepared for the fact that fully valuing the pension liability could have a significant impact on our Balance Sheet. The Trustees will continue to work closely with our auditors on the going concern consideration.

During the pandemic, the Trustees considered the potential challenges for HACT and in order to plan for challenges, we deferred pension payments for 6-months to ensure cash flow in the business was not compromised. The repayments re-started in April 2021.

The Triennial valuation of the SHPS scheme took place 30 September 2020. HACT has received notification that this valuation shows a scheme deficit of £31.6m, an improvement over the previous valuation in 2017 (£131.5m deficit). The Triennial valuation undertaken on 30 September 2023 has not yet reported to members in detail.

HACTHAL

HACT has a fully owned trading subsidiary HACTHAL and the accounts include the results of HACTHAL, which includes licences for the UK Social Value Bank, UK Built Environment Bank, Retrofit Credits and sponsorship. The influence on the 2023-24 financial year is not material due to the higher take up of the Social Value Insight tool by housing associations, who do not pay for social value licences. Ongoing development and recognition of the tool provides income opportunities which are growing over the coming years. As a result, the Trustees agreed at their meeting in May 2024 to appoint an Independent Director to the Board of HACTHAL, Andrew Cowan, following his resignation as a Trustee.

INTELLECTUAL PROPERTY

The Intellectual Property consists of our online data tools used by Housing Associations. Currently only one tool is valued, Social Value Insight.

Social Value Insight is an online product and a social value calculation, forecasting and reporting tool, used mainly by housing associations and others from related industries. It's basic functionality – measuring and forecasting social value – is not unique. However, some aspects are unique – access to the UK Social Value Bank and now the UK Built Environment Bank.

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It is the policy of HACT that Intellectual Property is only recognised as Intangible asset if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably. The Intellectual Property was revalued as of 31 March 2022, with Social Value Insight valued at £932,000. Every three years we re-value the Intellectual Property, however, if we recognise a material impact in sales activity for any reason the Trustees may decide to do this earlier, given the development of new tools in the platform, however, this is not an immediate need.

Historical costs have increased in the year due to the investment in a new online tool, Local Data Insight and the extensions of the suite of social values embedded within the Social Value Insight tool, the UK Built Environment Bank. The costs associated with these investments has been allocated to a designated fund, the IP Reserves fund, with a value of £349,175.

RESERVES POLICY

The Board are fully aware of the need to ensure HACT's ongoing and future viability. In order to provide consistently high quality and reliable services and innovation programmes, HACT must have at all times sufficient resources to finance planned activities, deal effectively with unexpected setbacks, and take advantage of opportunities for expanding and improving its work.

The enterprise and innovation nature of HACT's business requires sufficient funds to manage cash flow risk, as well as adequate resources to invest in ongoing development and innovation. Any business heavily invested in research and development will require adequate reserves to invest upfront in new products and services.

HACT's policy is reviewed annually by the Board at the first meeting after the financial year end. HACT's policy covers the following areas:

1. The types of funds or reserves which HACT will retain and the reasons why;
2. How to assess and determine the required level of retained funds or reserves; and
3. What steps will be taken to create and maintain the required funds.

Assessment of Reserves Needs

The general reserve target is to hold sufficient reserves above closure costs. The board have set this target at £380k. There is currently no maximum reserves target.

The reserves policy is informed by a realistic assessment of HACT's needs on a regular and consistent basis in the context of the business plan and in light of:

- Forecasts for levels of future income, including the reliability of each source of income and the possibility of new sources;
- Forecasts for future expenditure on the basis of the level of planned activities;
- An analysis of future developments, contingencies or risks; and
- An assessment of the likelihood of those future events, and their impact on HACT's operation.

Likewise, given the impact of the full pension liability, which is brought onto the Balance Sheet, we now consider our reserves policy explicitly in relation to the pension liability as well. HACT has a pension liability of £560k in relation to the defined benefit scheme. Excluding the pension liability,

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reserves stand at £2.1m, with the pension liability, we show reserves of £1.6m.

Of our current net assets of £2.1m, £1.1m is in our restricted fund with £1m sitting in the general reserve, of which £230k are cash reserves, £349k is historical costs invested in IP and £480k is in the Revaluation reserve. These reserves are higher than our calculated closure costs of £280k, although our cash reserve is lower. Board recognises that the total pension liability does not translate to a cash payment and that we will be able to cover payments on an ongoing basis. As such, unrestricted general funds will not be designated to cover this liability.

With a robust and realistic annual budgeting process in place, and the Executive and Leadership teams scrutinising budget and cashflow on a monthly and ongoing basis, Trustees are confident that HACT will continue to build on our reserves in the long term. HACT has procedures in place to mitigate the risk of the pension liability crystallising. With the understanding that the liability will only crystallise at the point at which no member of staff is enrolled in the current scheme, Board and the Executive have agreed therefore that HACT will, if it becomes necessary, absorb the cost of a junior member of staff to join the existing scheme.

Fund	Purpose	Basis of calculation	Reserves held on 31.3.24
1) Restricted funds	As specified by third parties	Amounts received / outstanding	£1,106,762
2) Unrestricted funds:			
a) General Reserves	Covers the need for day- to-day working capital; unavoidable budget shortfalls; disruption of business; loss of income, etc.	Past experience, risk analysis / scenario planning - aim to hold a minimum level equal to 3 months' expenditure less designated reserves.	£230,160
b) Revaluation Reserve	Future amortization of Intellectual Property	Value of the Intellectual Property, revalued Jul 2022	£554,834
c) Designated funds:			
IP Reserves	Designated for IP development costs capitalised	Past experience, allocation against plans for new development.	£274,354
R&D Reserve	Provide investment into new products at risk	Past experience, allocation against plans for new development.	£0
Total Unrestricted funds, excluding pension deficit			£1,059,348
Total funds, excluding pension deficit			£2,166,110

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3) Pension reserve			
Pension Reserve Liability	The NPV of the SHPS Pension deficit payment liability	Provided by SHPS Actuary	(£560,089)
Total, including pension liability			£1,606,021

Fundraising

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. HACT does not raise funds directly from the general public and does not actively solicit donations. We do not work directly with commercial sponsors but where commercial sponsorship is arranged for an event a clear contract is in place between the trading company and the commercial sponsor. The Trustees are not aware of any complaints made in respect of fundraising during the period.

Safeguarding

HACT believes that everyone we come into contact with, regardless of age, gender identity, disability, sexual orientation or ethnic origin has the right to be protected from all forms of harm, abuse, neglect and exploitation. HACT will not tolerate abuse and exploitation by staff or associated personnel.

HACT commits to addressing safeguarding throughout its work, through the three pillars of prevention, reporting and response.

In November 2018, the Trustees agreed a new Safeguarding policy which is reviewed annually (last review, February 2024). The policy is designed to protect people, particularly children and at-risk adults from any harm that may be caused due to their coming into contact with HACT. This includes harm arising from:

- The conduct of staff or personnel associated with HACT.
- The design and implementation of HACT’s programmes, research and activities.

The policy lays out the commitments made by HACT and informs staff and associated personnel of their responsibilities in relation to safeguarding.

In support of our approach to safeguarding, we also have policies and procedures on bullying and harassment, and whistleblowing.

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PRINCIPAL RISKS AND UNCERTAINTIES

The Board reviewed the risk register in February 2023 and review it throughout the year. Risks are reviewed against our strategic plan and assesses and monitors the level of risk arising in the following areas, which the Executive Team recognises as interdependent:

1. **Governance and management risks:** HACT has a strong Board, supported by a small Executive Team with extensive experience in organisational development and leadership. It meets regularly to review business strategy, and receives regular reports on business performance, both in relation to its activities and its financial management. HACT undertook a governance review against the new Code of Governance in the 2018-19 financial year and as a result the membership of the Board has diversified to ensure it has both depth and breadth of experience, as complementary to the executive and leadership teams. HACT has also strengthened the expertise of its senior management and leadership team. We are now 2-years through the current strategic plan and the Board have robust oversight in place to monitor performance against the plan, ensuring HACT continues to be a sustainable business for the future.
2. **Operational risks:** The Board monitors closely HACT's capacity and credibility, including ensuring the resources and expertise are in place to deliver on our mission effectively. Key operational risks include the tension between immediate product sales and growth of key products and a longer-term development pipeline. As an organisation focused on innovation, protecting time and resources to develop new ideas and projects is important to ensure this is not completely subordinated by immediate cash flow pressures. These interdependent risks ultimately impact on sustainability, the viability of our partnerships and management of these relationships, over-stretch of existing capacity, staff retention and customer relationship management. We continue to assess our resource requirements and, where necessary, add new roles to the staff team. Partnership working, with existing and new partners, helps address capacity needs and ensures flexibility. We have reviewed all partnership agreements and are entering into new agreements where necessary.
3. **Financial risks:** With a fully embedded social enterprise model, HACT's primary financial risks are now two-fold: securing sufficient income and sales to deliver an operating surplus that delivers the mission and business plan; and delivering a strong credit control regime that ensures sufficient cash flow. The Finance and Performance Committee, a formal Board subcommittee, continues to operate effectively, supporting the Treasurer and Executive in managing the organisational finances, reviewing cash flow forecasts and managing deposits and investments. Income and sales targets have been set for key areas of work and are reviewed monthly and quarterly against the business plan. We continue to review and ensure our Credit Control system is effective to improve cashflow.
4. **External risks:** Ensuring HACT's continued relevance to and support from the social housing sector, including productive relationships with other sector bodies, is critical to the delivery of HACT's mission, and the sustainability of its income streams. HACT continues to invest heavily in building the necessary relationships with housing associations as the supporters, funders and customers of HACT. HACT also undertakes periodic market reviews, identifying major changes and new market entrants and products. The perception and reputation of HACT within the sector is another key area of focus. With significant attention on securing income and delivering projects, we also recognise the importance of explicitly communicating our impact and relevance to the sector through various media. HACT continues to invest in communications and marketing support as well as attendance at key events.

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5. **Compliance with law and regulation:** The Board reviews HACT's Standing Orders periodically to ensure that the reporting framework and delegation of powers meet compliance requirements. The Board completed a fundamental review to ensure that HACT is operating within the new Code of Governance. Financial Policies and Procedures are also reviewed annually, and further improvements made to operational reporting arrangements in the last year.

PLANS FOR THE FUTURE

We are now in year 3 of our Strategic Plan. We continue to focus on growing the products, services and workstreams that are most successful, also reflecting on our role as a trusted partner and thought leader in the social housing sector, and what this means for the future. How we conceptualise our work, what we do, and how we relate to housing providers is more important than ever.

With a new Government in place there is a renewed focus on housebuilding and planning reform, together with a longer-term settlement on rents for social housing tenants. Whilst it is too early to say what the detail of legislation will be, we know that future policy will bring forward new opportunities for HACT, the housing sector, and our communities.

We have reflected on HACT's work now and into the future, working alongside our partners and social housing organisations to address the challenges and opportunities ahead. We will continue to grow our offer, champion and enhance the social purpose of social landlords, and place social justice and social impact at the heart of our work.

Social Value Insight is proving to be an essential tool for all those in want to plan, record and report on the impact that they make. With the launch of the new UK Built Environment Bank, we will continue to seek ways to expand our reach and relevance in this area. We have recently secure our 100th subscriber to Social Value Insight and we are working hard to deepen our subscribers in social housing, as well as support organisations in the wider built environment, local government and VCSFE sectors to benefit from the insights it brings.

The importance and challenge of meeting Net Zero Carbon for social landlords is of critical concern. How we avert environmental catastrophe and ensure that our homes and our communities are sustainable for the future is an area that HACT will continue to explore. Our Retrofit Credits scheme will scale further this year, and we will continue to deliver on our place-based pilot. We will also continue to deliver our Retrofit Skills Pilot with a view to expanding this to other areas.

With a renewed focus on our digital workstream, we will work with the sector to embed the UK Housing Data Standards. This is a critical area of work if landlords are to meet new regulatory and statutory requirements, improve services to their tenants and fully embrace the potential of digital transformation.

We will continue to deliver essential support to tenants through our Energy Hardship Fund. Having received a £3m allocation from the Energy Redress Scheme, we are keen to ensure that this essential support is available all year round. With energy costs predicted to rise again in October 2024, this will be needed now more than ever.

Following a robust and extensive external recruitment, HACT will welcome a new Chair to the Board at the AGM in November 2024. We are looking forward to working with Sarah Thomas, who is currently the Chief Executive Officer of the Richmond Housing Partnership.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

The Housing Associations' Charitable Trust Limited (HACT) is registered as a charity; charity registration number: 1096829; company registration no: 4560091.

The charity is governed by its Memorandum and Articles of Association.

HACT's Standing Orders specify the planning and delivery framework and powers delegated to the Chief Executive.

HACT works throughout the United Kingdom predominantly in England and Wales, but also with partners in, Northern Ireland and Scotland.

HACT has a fully owned subsidiary (100% share capital) – HACT Housing Action Ltd (Company Registration Number 3616766).

HACT's Memorandum and Article of Association make provision for 15 Board Members to be appointed, although it is the Board's policy to not exceed 11 members. The Board brings knowledge and experience in governance, financial and organisational management, marketing, communications and strategic development. It is mainly comprised of senior professionals working within social housing organisations.

HACT's Standing Orders explain the policy and procedures underpinning the appointment and conduct of the Board and robust procedures for Board induction.

The Board seeks to ensure a diverse group of Board Members given HACT's values and focus. This is achieved by monitoring and targeting groups to recruit a board which includes: women and black and minority ethnic representation; seeking younger people and people with fresh ideas and ways of thinking; and monitoring sexual orientation. Ideally at least one third of HACT's Board should be housing chief executives and/or senior housing personnel from across the regions.

HACT seeks to welcome new Board Members with an induction process that is both informative and supportive. The Board Member Induction, Support and Development policy and procedure outlines this process. A letter confirming the appointment will be sent with induction materials and information.

HACT recognises that Board and committee members are valuable assets and offers Board members a number of support mechanisms intended to assist them achieve and exceed its minimum standards of competency and contribution, and to facilitate continuous improvement in members' individual and collective performance.

The overall objective of Board Member induction, support and development is to optimise the contribution of the board to the work of HACT. This is achieved by:

- Identifying and recording skills, expertise and interests brought by Board Members to the board.
- Ensuring induction of new Board Members so they gain a good early understanding of how HACT operates and why; of its ethos and history, and of current issues.
- Providing personal support during the learning curve, primarily from the chair, senior staff, and from a fellow Board Member as a mentor.
- Ensuring all Board Members are aware of each other's skills, expertise and interests.
- Reviewing, after an appropriate induction period, areas in which Board Members wish to increase or reduce their level of contribution.

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- Reviewing at appropriate times, with the chair, Board Members' contribution and to reach mutual agreement about renewal (or non-renewal) of terms of office.

The Board has established the Finance and Performance Committee, a sub-committee of the Board, with responsibility to oversee and scrutinise all financial and financial performance matters. The Finance and Performance Committee is chaired by the Treasurer.

During 2023-24 the Board also established the Retrofit Credits Board Working Group. This was formed to provide greater oversight and involvement by the Board in the emerging Retrofit Credit product.

All day-to-day operational and management decisions of the organisation are delegated to the Chief Executive, Andrew van Doorn OBE, the Managing Director, Jacqui Bateson and the Business Development Director, Matthew Grenier. HACT has in place comprehensive and robust financial management and control procedures with clearly defined delegated authorities and expenditure approval limits that are reviewed annually by the Treasurer.

During 2019-20 the Trustees completed a review of governance in line with the Charity Governance Code published in July 2017. Board is satisfied that we are compliant with the Code and took this opportunity to also review standing orders and publish a new Governance Handbook, which has now been operationalised.

Remuneration policy for key management personnel

HACT has a remuneration policy for all staff which includes the Chief Executive, Managing Director and Business Development Director. In 2023 HACT undertook a salary benchmarking exercise to check that staff remuneration is fair and supports the recruitment and retention of high performing staff. The policy considers both internal and external factors and are reflected in the following Statement of Policy:

- The salaries and benefits paid by HACT will be fair and reasonable and in keeping with its position as a charitable organisation; salary decisions will be influenced by the funding constraints placed upon HACT as a charity.
- Salary policy will be linked to HACT's service objectives which will be supported by providing staff with terms and conditions which are effective in aiding recruitment and retention of quality staff.
- The principle of fairness will apply to all employment policy and processes and differentials will be based on clear differences in responsibility and market factors.
- Pay trends and market forces will be considered in determining salary levels as well as reference to charitable, voluntary, housing sector and other public sector comparisons, although there will be no one factor which automatically affects salary levels. A benchmarking exercise will be carried out every year to ensure salary levels continue to be in line with similar organisations of a similar size.
- Staff will understand how pay is determined and be able to raise a grievance on pay and benefits decisions which directly affect them.

Salary levels are therefore set based on decisions which reflect the overall movement in 'cost of living' and pay trends in the marketplace, reviewed annually and are based on the Charity's ability to pay. HACT sets its own pay structure, and considers arrangements in other sectors, particularly the voluntary and housing sectors. HACT does not pay below the London Living Wage.

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STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also directors of charitable company for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and hence for 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2024 was 11 (2023: 11). The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Statement as to disclosure to our auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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AUDITORS

Sayer Vincent LLP was appointed as auditor for the 2023-2024 financial year.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on **19th September 2024** and signed on their behalf by;

.....
Gavin Cansfield
Chair

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST**Independent Auditor Report****For the year ended 31 March 2024**

Opinion

We have audited the financial statements of The Housing Associations' Charitable Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Housing Associations' Charitable Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST**Independent Auditor Report****For the year ended 31 March 2024**

Other Information

The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report,

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Independent Auditor Report

For the year ended 31 March 2024

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, the finance & performance committee, which included obtaining and reviewing supporting documentation, concerning the charity's/ group's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity/ group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity/group from our professional and sector experience.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST**Independent Auditor Report****For the year ended 31 March 2024**

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

Date: 18 October 2024
for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST**Consolidated statement of financial activities**

(incorporating an income and expenditure account)

For the year ended 31 March 2024

				2024			2023
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Income from:	Note	£	£	£	£	£	£
Donations and legacies	3	96	-	96	24,326	-	24,326
Charitable activities:	4						
HACT Local		35,620	-	35,620	23,050	-	23,050
HACT Health		225,445	-	225,445	303,489	-	303,489
HACT Insight		830,765	-	830,765	802,413	-	802,413
HACT Value		331,803	-	331,803	274,777	-	274,777
HACT Digital		66,758	-	66,758	135,181	-	135,181
HACT R&D		137,000	-	137,000	20,000	-	20,000
Charitable projects		39,256	3,379,234	3,418,490	33,000	1,938,585	1,971,585
Total charitable activities		1,666,647	3,379,234	5,045,881	1,591,910	1,938,585	3,530,495
Other income	5	454	-	454	391	-	391
Total income		1,667,197	3,379,234	5,046,431	1,616,627	1,938,585	3,555,212
Expenditure on:							
Raising funds		43,330	-	43,330	33,486	-	33,486
Charitable activities:							
HACT Local costs		32,968	-	32,968	46,420	-	46,420
HACT Health costs		311,742	-	311,742	240,249	-	240,249
HACT Insight costs		830,558	-	830,558	736,517	-	736,517
HACT Value costs		306,540	-	306,540	232,034	-	232,034
HACT Digital costs		70,292	-	70,292	190,890	-	190,890
HACT R&D costs		47,453	-	47,453	3,049	-	3,049
Charitable projects costs		-	3,118,562	3,118,562	-	1,589,044	1,589,044
Total charitable activities		1,599,553	3,118,562	4,718,115	1,449,159	1,589,044	3,038,203
Total expenditure		1,642,883	3,118,562	4,761,445	1,482,645	1,589,044	3,071,689
Net income/ (expenditure) for the year	7	24,314	260,672	284,986	133,982	349,541	483,523
Actuarial gains/(losses) on defined benefit pension schemes	20	(94,644)	-	(94,644)	(66,086)	-	(66,086)
Gains/ (loss) on revaluation of intellectual property	10	-	-	-	(580,000)	-	(580,000)
Transfer between funds	16	51,279	(51,279)	-	(257,712)	257,712	-
Net movement in funds		(19,051)	209,393	190,342	(769,816)	607,253	(162,563)
Balances brought forward		518,310	897,369	1,415,679	1,288,126	290,116	1,578,242
Total funds carried forward		499,259	1,106,762	1,606,021	518,310	897,369	1,415,679

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST**Balance sheet****Company registration no. 4560091****As at 31 March 2024**

	Note	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Fixed assets:					
Intellectual property	10	829,188	829,188	776,667	776,667
Tangible assets	11	331	331	616	616
Investments	12	-	10,000	-	10,000
		<u>829,519</u>	<u>839,519</u>	<u>777,283</u>	<u>787,283</u>
Current assets:					
Debtors	13	694,711	641,416	623,565	577,357
Cash at bank and in hand		<u>1,314,085</u>	<u>1,286,222</u>	<u>1,015,932</u>	<u>1,003,402</u>
		<u>2,008,796</u>	<u>1,927,638</u>	<u>1,639,497</u>	<u>1,580,759</u>
Liabilities:					
Creditors: amounts falling due within one year	14	<u>(672,205)</u>	<u>(601,047)</u>	<u>(453,910)</u>	<u>(405,172)</u>
Net current assets		<u>1,336,591</u>	<u>1,326,591</u>	<u>1,185,587</u>	<u>1,175,587</u>
Net assets excluding pension liability		<u>2,166,110</u>	<u>2,166,110</u>	<u>1,962,870</u>	<u>1,962,870</u>
Defined benefit pension scheme liability	20	<u>(560,089)</u>	<u>(560,089)</u>	<u>(547,191)</u>	<u>(547,191)</u>
Total net assets / (liabilities)		<u>1,606,021</u>	<u>1,606,021</u>	<u>1,415,679</u>	<u>1,415,679</u>
Funds	16				
Restricted funds		1,106,762	1,106,762	897,369	897,369
Unrestricted funds:					
Designated funds		274,354	274,354	75,000	75,000
General funds		230,160	230,160	313,584	313,584
Revaluation reserve		<u>554,834</u>	<u>554,834</u>	<u>676,917</u>	<u>676,917</u>
Total unrestricted funds		<u>1,059,348</u>	<u>1,059,348</u>	<u>1,065,501</u>	<u>1,065,501</u>
Total funds excluding pension deficit liability		<u>2,166,110</u>	<u>2,166,110</u>	<u>1,962,870</u>	<u>1,962,870</u>
Pension reserves		<u>(560,089)</u>	<u>(560,089)</u>	<u>(547,191)</u>	<u>(547,191)</u>
Total funds		<u>1,606,021</u>	<u>1,606,021</u>	<u>1,415,679</u>	<u>1,415,679</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part15 of the Companies Act 2006.

As permitted by section 408 of the Companies Act 2006, the company has not presented its own profit and loss account and related notes.

Approved by the trustees on **19 September 2024** and signed on their behalf by:

Gavin Cansfield
Chair

Kalwant Grewal
Treasurer

The attached notes form part of the financial statements.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST**Consolidated statement of cash flows****For the year ended 31 March 2024**

	Note	2024 £	2024 £	2023 £	2023 £
Cash flows from operating activities:					
Net cash provided by operating activities	a		657,331		761,466
Cash flows from investing activities:					
(Purchase) of fixed assets		(249,425)		(749)	
Pension contributions payments		(109,753)		(104,195)	
Cash (used in) investing activities			(359,178)		(104,944)
Change in cash and cash equivalents in the year			298,153		656,522
Cash and cash equivalents at the beginning of the year			1,015,932		359,410
Cash and cash equivalents at the end of the year	b		1,314,085		1,015,932

a) Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2024 £	2023 £
Net (expenditure)/ income for the reporting period (as per the statement of financial activities)	284,986	483,523
Depreciation	285	276
Amortisation	196,904	271,333
(Increase)/decrease in debtors	(71,146)	(65,023)
Increase /(decrease) in creditors	218,295	53,357
Pension costs	28,007	18,000
Net cash provided by / (used in) operating activities	657,331	761,466

b) Analysis of cash and cash equivalents

	At 1 April 2022 £	Cash flows £	Other changes £	At 31 March 2024 £
Cash at bank and in hand	1,015,932	298,153	-	1,314,085
Total cash and cash equivalents	1,015,932	298,153	-	1,314,085

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST**Notes to the financial statements****For the year ended 31 March 2024**

1 Accounting policies**Basis of preparation**

The financial statements have been prepared in accordance with 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) - (Charities SORP FRS 102). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary HACTAL on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Going concern

HACT has generated a deficit on unrestricted funds of £19,051, after an inherited pension loss of £94,644. Net operating surplus on normal activities was £400,144. At the end of the financial year there were defined benefit pension scheme liabilities of £560,089. Following the year end a thorough and detailed review of the financial position and future prospects was undertaken to safeguard the charity's future. The trustees believe that the pension's deficit shown on the balance sheet will not crystallise in the short term but is expected to be funded as necessary over the service lives of the related employees, through annual contributions. The trustees therefore consider it appropriate to prepare the financial statements on a going concern basis.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Income from the sale of tooling subscriptions is recognised at the point of invoice. Subscriptions are normally for a twelve month period so the whole of the income is recognised. Where a subscription is for a period greater than one year then part of the income falling outside of the current period is deferred.

Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

1 Accounting policies (continued)

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise of trading costs and the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services, products and training and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Grants payable

Grant expenditure is recognised where there is a legal or constructive obligation to pay. All grants are recognised in the financial statements as liabilities after they have been approved, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the charity.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 6.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £300. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

~ Fixtures and fittings	10 - 20%
~ Computer equipment	33%

Intellectual Property

Intellectual property is initially measured at cost and subsequently revalued and is included at valuation less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as intellectual property when all of the following criteria are demonstrated: the technical feasibility of completing the software so that it will be available for use or sale; the intention to complete the software and use or sell it; the ability to use the software or to sell it; how the software will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and use or sell the software; the ability to measure reliably the expenditure attributable to the software during its development.

The trustees consider a policy to revalue over a three years cycle as realistic and latest revaluation took place this year. The intellectual property is expected to have a further useful life of 6 years and will be amortised on a straight line basis over this period of time.

Investments

Investments in the subsidiary company are held at cost.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST**Notes to the financial statements****For the year ended 31 March 2024**

1 Accounting policies (continued)**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pensions**Pensions: defined contribution**

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately for those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of these contributions.

Pensions: defined benefit

The charity operates a defined benefit pension scheme. The cost of providing pension and related benefits is charged to the statement of the financial activities over the employees' service lives on the basis of a constant percentage of earnings which is an estimate of the regular cost. variations from regular cost, arising from periodic actuarial valuations are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. any difference between the charge to the statement of financial activities and the contributories payable to the scheme is shown as an asset or liability in the balance sheet.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Critical accounting judgements and key sources of estimation uncertainty

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.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

3 Income from donations and legacies

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Donations	96	-	96	-	-	-
Legacies	-	-	-	24,326	-	24,326
	96	-	96	24,326	-	24,326

4 Income from charitable activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Invoiced sales						
HACT Local	35,620	-	35,620	23,050	-	23,050
HACT Health	225,445	-	225,445	303,489	-	303,489
HACT Insight	830,765	-	830,765	802,413	-	802,413
HACT Value	331,803	-	331,803	274,777	-	274,777
HACT Digital	66,758	-	66,758	135,181	-	135,181
HACT R&D	137,000	-	137,000	20,000	-	20,000
Total invoiced sales	1,627,391	-	1,627,391	1,558,910	-	1,558,910

Charitable projects

Abri Group	-	10,000	10,000	-	10,000	10,000
Arctica Partners	-	9,214	9,214	-	-	-
Ashden	-	10,000	10,000	-	-	-
Barrow Cadbury Trust	-	15,080	15,080	-	16,000	16,000
Clarion Housing Group	10,000	20,000	30,000	-	40,000	40,000
David & Ruth Lewis Family Charitable Trust	-	100,000	100,000	-	-	-
Energy Redress - Fuel vouchers	-	-	-	-	560,417	560,417
Energy Saving Trust	-	2,039,780	2,039,780	-	625,346	625,346
Fusion 21 Ltd	5,000	650,000	655,000	-	60,000	60,000
Gloucester City Homes	-	-	-	-	5,000	5,000
Hyde Group	-	-	-	-	10,000	10,000
Independent Age	-	18,000	18,000	-	20,000	20,000
Inprova Group	-	-	-	-	5,000	5,000
JP Morgan Chase Foundation	-	100,000	100,000	-	235,500	235,500
Orbit Group	2,000	-	2,000	30,000	10,000	40,000
Peabody Community Foundation	6,000	-	6,000	-	10,000	10,000
Places for People Homes	5,000	-	5,000	-	-	-
Platform Housing	-	-	-	-	5,000	5,000
PNZ Carbon	-	68,085	68,085	-	-	-
Saint-Gobain Building Distribution	-	-	-	-	5,000	5,000
Scottish Federation of Housing Associations	-	300,000	300,000	-	-	-
South Yorkshire Housing Association	-	-	-	-	208,822	208,822
Sovereign Housing Association	-	-	-	-	55,000	55,000
St Ives Community Land Trust	4,470	-	4,470	-	-	-
Stonewater	-	-	-	-	10,000	10,000
The Guinness Partnership	-	-	-	-	10,000	10,000
Wandle Housing Association	-	5,000	5,000	-	5,000	5,000
Yorkshire Housing Limited	3,000	-	3,000	-	-	-
Other grants	3,786	34,075	37,861	3,000	32,500	35,500
Total charitable projects	39,256	3,379,234	3,418,490	33,000	1,938,585	1,971,585

Total charitable activities

1,666,647	3,379,234	5,045,881	1,591,910	1,938,585	3,530,495
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5 Other income

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Other income	454	-	454	391	-	391
	454	-	454	391	-	391

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

6a Analysis of expenditure - current year

	Basis of allocation	Cost of raising funds £	Charitable activities		Support costs £	2024 Total £	2023 Total £
			Charitable projects £	Cost of Programme Sales £			
Staff costs	Direct/Turnover	-	483,945	618,635	286,867	1,389,447	1,152,013
Grants award	Direct	-	2,299,701	-	-	2,299,701	524,170
HACT Local costs	Direct	-	-	1,518	-	1,518	14,606
HACT Health costs	Direct	-	-	98,282	-	98,282	81,160
HACT Insight costs	Direct	-	-	212,823	-	212,823	243,655
HACT Value costs	Direct	-	-	45,025	-	45,025	49,831
HACT Digital costs	Direct	-	-	26,300	-	26,300	66,543
HACT R&D costs	Direct	-	-	5,000	-	5,000	-
Direct Project costs	Direct	-	200,415	-	-	200,415	443,295
Fundraising costs	Direct	43,330	-	-	-	43,330	33,486
Support costs	Turnover	-	-	-	222,838	222,838	175,130
Amortisation costs	Direct	-	-	196,904	-	196,904	271,333
Governance costs	Turnover	-	-	-	19,862	19,862	16,467
		43,330	2,984,061	1,204,487	529,567	4,761,445	3,071,689
Support costs allocated		-	134,501	395,066	(529,567)	-	-
Total expenditure 2024		43,330	3,118,562	1,599,553	-	4,761,445	3,071,689
Total expenditure 2023		33,486	1,589,044	1,449,159	-	3,071,689	
Grants award						2024 £	2023 £
Corporate grants awards paid in the year						2,299,701	524,170
						2,299,701	524,170

Details of the grants awards can be found in the Trustees' report.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

6b Analysis of expenditure - prior year

	Basis of allocation	Cost of raising funds £	Charitable activities		Support costs £	2023 Total £
			Charitable projects £	Cost of Programme Sales £		
Staff costs	Direct/Turnover	-	352,551	484,360	315,102	1,152,013
Grants & Contracts	Direct	-	524,170	-	-	524,170
Direct Project Costs	Direct	-	-	14,606	-	14,606
HACT Local Costs	Direct	-	-	81,160	-	81,160
HACT Health Costs	Direct	-	-	243,655	-	243,655
HACT Insight Costs	Direct	-	-	49,831	-	49,831
HACT Value Costs	Direct	-	-	66,543	-	66,543
HACT Digital Costs	Direct	-	443,295	-	-	443,295
Fundraising	Direct	33,486	-	-	-	33,486
Support costs	Turnover	-	-	-	175,130	175,130
Amortisation	Direct	-	-	271,333	-	271,333
Governance costs	Turnover	-	-	-	16,467	16,467
		33,486	1,320,016	1,211,488	506,699	3,071,689
Support costs allocated		-	269,028	237,671	(506,699)	-
Total expenditure		33,486	1,589,044	1,449,159	-	3,071,689

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST**Notes to the financial statements****For the year ended 31 March 2024****7 Net expenditure for the year**

This is stated after charging :

	2024	2023
	£	£
Depreciation	285	276
Amortisation of IP	196,904	271,333
Auditor's remuneration (excluding VAT) :		
Audit fees	13,425	12,550
Prior year over provision	-	(100)
	<u> </u>	<u> </u>

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024	2023
	£	£
Salaries and wages	1,171,050	979,221
Social security costs	128,212	102,337
Employer's contribution to defined contribution pension schemes	58,400	49,314
Defined benefit pension schemes costs	28,007	18,000
Life insurance costs	3,778	3,141
	<u>1,389,447</u>	<u>1,152,013</u>

The following number of employees received employee benefits (excluding employer pension) during the year between:

	2024	2023
	No.	No.
£60,000 - £69,999	-	2
£70,000 - £79,999	2	-
£90,000 - £99,999	-	1
£100,000 - £109,999	1	-

The total employee benefits including employer NIC and pension contributions of the key management personnel were £303,121 (2023: £274,847).

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2023: £nil) and no trustees were reimbursed expenses during the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2024	2023
	No.	No.
Charitable activities	24	21
Support and raising funds	2	2
Governance	1	1
	<u>27</u>	<u>24</u>

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST**Notes to the financial statements****For the year ended 31 March 2024****10 Intellectual property**

	2024 £	2023 £
Value at the start of the year	932,000	1,628,000
Amortisation at the start of the year	<u>(155,333)</u>	<u>-</u>
	776,667	1,628,000
Additions during the year	249,425	-
Amortisation charge for the year	(196,904)	(271,333)
Revaluation during the year	-	(580,000)
Net book value at the end of the year	<u>829,188</u>	<u>776,667</u>
Historical Cost	<u>349,175</u>	<u>99,750</u>

The Intellectual Property consists of data mapping tool used by Housing Authorities called Social Value. The IP was professionally valued as at 31st March 2022 by Valuation Consulting LLP, an independent valuation firm, at £932,000. The Historic cost of Intellectual Property is £349,175.

The trustees consider a policy to revalue over a three years cycle as realistic. The intellectual property is expected to have a useful life of 6 years and will be amortised on a straight line basis over this period of time.

11 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At the start and at the end of the year	6,344	1,867	8,211
Additions in year	-	-	-
At the end of the year	<u>6,344</u>	<u>1,867</u>	<u>8,211</u>
Depreciation			
At the start of the year	6,343	1,252	7,595
Charge for the year	-	285	285
At the end of the year	<u>6,343</u>	<u>1,537</u>	<u>7,880</u>
Net book value			
At the end of the year	<u>1</u>	<u>330</u>	<u>331</u>
At the start of the year	<u>1</u>	<u>615</u>	<u>616</u>

All of the above assets are used for charitable purposes.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

12a Investments

Investments at cost:	2024	2023
100% share capital of HACT Housing Action Ltd	£	£
10,000 ordinary £1 shares	<u>10,000</u>	<u>10,000</u>

The charitable company owns the whole of the issued share capital of HACTHAL, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. The subsidiary is exempt from audit by virtue of Section 479a of Companies Act 2006. A summary of the results of the subsidiary is shown below:

	2024	2023
	£	£
Turnover	191,407	50,708
Cost of sales	(131,677)	(50,271)
Gross Profit	<u>59,730</u>	<u>437</u>
Administrative expenses	(73)	(101)
Profit for financial year	<u>59,657</u>	<u>336</u>

Retained earnings

Total retained earnings brought forward	-	-
Profit for the financial year	59,657	336
Distribution under Gift Aid to parent charity	(59,657)	(336)
Total retained earnings carried forward	<u>-</u>	<u>-</u>

The aggregate of the assets, liabilities and reserves was:

Assets	83,920	62,708
Liabilities	(73,920)	(52,708)
Capital & Reserves	<u>10,000</u>	<u>10,000</u>

Amounts owed to/from the parent undertaking are shown in note 18.

12b Parent Charity

The parent charity's gross income and the results for the year are as follows:

	2024	2023
	£	£
Gross income	4,855,024	3,504,504
(Deficit)/Surplus for the year	<u>130,685</u>	<u>(162,899)</u>

13 Debtors

	Group	Charity	Group	Charity
	2024	2024	2023	2023
	£	£	£	£
Trade debtors	663,350	610,055	567,774	521,566
Other debtors	2,052	2,052	2,652	2,652
Prepayments	16,309	16,309	14,274	14,274
Accrued income	<u>13,000</u>	<u>13,000</u>	<u>38,865</u>	<u>38,865</u>
	<u>694,711</u>	<u>641,416</u>	<u>623,565</u>	<u>577,357</u>

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

14 Creditors: amounts falling due within one year

	Group 2024	Charity 2024	Group 2023	Charity 2023
	£	£	£	£
Trade creditors	346,135	339,749	140,445	140,445
Taxation and social security	175,607	175,607	192,434	192,434
Other creditors	2,252	2,252	1,951	1,951
Accruals	89,136	21,602	76,780	24,073
Deferred income	59,075	59,075	42,300	42,300
Amount due to subsidiary	-	2,762	-	3,969
	<u>672,205</u>	<u>601,047</u>	<u>453,910</u>	<u>405,172</u>

Deferred income

	2024	2023
	£	£
Balance at the beginning of the year	42,300	65,755
Amount released to income in the year	(24,300)	(54,955)
Amount deferred in the year	<u>41,075</u>	<u>31,500</u>
Balance at the end of the year	<u>59,075</u>	<u>42,300</u>

Deferred income comprises of future subscriptions invoiced in 2023/24 but relating to future periods and investments in projects which will commence in 2024/25.

15 Analysis of net assets between funds - current year

	Restricted Reserves	General unrestricted	Revaluation Reserve	Pension Reserve	Total funds
	£	£	£	£	£
Tangible fixed assets	-	331	-	-	331
Intellectual property	-	274,354	554,834	-	829,188
Net current assets	1,106,762	229,829	-	-	1,336,591
Defined benefit pension (liability)	-	-	-	(560,089)	(560,089)
Net assets	<u>1,106,762</u>	<u>504,514</u>	<u>554,834</u>	<u>(560,089)</u>	<u>1,606,021</u>

Analysis of net assets between funds - prior year

	Restricted Reserves	General unrestricted	Revaluation Reserve	Pension Reserve	Total funds
	£	£	£	£	£
Tangible fixed assets	-	616	-	-	616
Intellectual property	-	99,750	676,917	-	776,667
Net current assets	897,369	288,218	-	-	1,185,587
Defined benefit pension (liability)	-	-	-	(547,191)	(547,191)
Net assets	<u>897,369</u>	<u>388,584</u>	<u>676,917</u>	<u>(547,191)</u>	<u>1,415,679</u>

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

16	Movements in funds					
	Current Year	As at the start of the year	Income & gains	Expenses & losses	Transfers	At the end of the year
		£	£	£	£	£
	Restricted funds:					
	Energy Redress - Fuel vouchers	574,701	2,914,054	2,520,111	-	968,644
	Centre for Excellence	63,954	51,375	115,329	-	-
	Rentflex	68,946	15,080	80,645	-	3,381
	Age Friendly	91,250	183,200	176,450	-	98,000
	Retrofit Credits	-	115,525	87,510	(51,279)	(23,264)
	GreenSkills	98,518	100,000	138,517	-	60,001
	Total restricted funds	897,369	3,379,234	3,118,562	(51,279)	1,106,762
	Unrestricted funds:					
	Designated funds:					
	R&D reserves	75,000	-	-	(75,000)	-
	IP reserves	-	-	58,196	332,550	274,354
	Total designated funds	75,000	-	58,196	257,550	274,354
	General funds	313,584	1,667,197	1,417,972	(332,649)	230,160
	Revaluation reserves	676,917	-	138,708	16,625	554,834
	Total unrestricted funds	1,065,501	1,667,197	1,614,876	(58,474)	1,059,348
	Total funds excluding pension fund	1,962,870	5,046,431	4,733,438	(109,753)	2,166,110
	Pension fund	(547,191)	-	122,651	109,753	(560,089)
	Total funds including pension fund	1,415,679	5,046,431	4,856,089	-	1,606,021
	Movements in funds					
	Prior Year	As at the start of the year	Income & gains	Expenses & losses	Transfers	At the end of the year
		£	£	£	£	£
	Restricted funds:					
	Social Value Roadmap	70,000	20,000	263,349	173,349	-
	Energy Redress - Fuel vouchers	125,592	1,060,537	611,428	-	574,701
	Centre for Excellence	49,507	102,500	118,855	30,802	63,954
	Rentflex	45,017	131,500	107,571	-	68,946
	Age Friendly		343,822	252,572	-	91,250
	Resilience	-	30,000	48,111	18,111	-
	Retrofit Credits	-	125,226	160,676	35,450	-
	GreenSkills	-	125,000	26,482	-	98,518
	Total restricted funds	290,116	1,938,585	1,589,044	257,712	897,369
	Unrestricted funds:					
	Designated funds:					
	R&D reserves	-	-	-	75,000	75,000
	General funds	374,676	1,616,627	1,193,312	(484,407)	313,584
	IP Revaluation reserve	1,480,750	-	851,333	47,500	676,917
	Total unrestricted funds	1,855,426	1,616,627	2,044,645	(361,907)	1,065,501
	Total funds excluding pension fund	2,145,542	3,555,212	3,633,689	(104,195)	1,962,870
	Pension fund	(567,300)	-	84,086	104,195	(547,191)
	Total funds including pension fund	1,578,242	3,555,212	3,717,775	-	1,415,679

Restricted funds purpose:

The income of the charity includes grants received for specific restricted projects. The trustees' report includes a description of the activities of each project.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

17 Legal status of the charity

The charity is a company limited by guarantee incorporated in the UK and has no share capital. The registered office is 7 14 Great Dover Street, London. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

18 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

At 31 March 2024 an amount of £2,762 (2023: £3,969) was due to HACTHAL, the subsidiary of the Charity.

19 Operating lease note

The charity had no annual commitments under non-cancellable operating leases.

20 Defined benefit pension scheme liability

The Social Housing Pension Scheme (SHPS) is a defined benefit ("DB") multiemployer pension scheme. Within the year there have been changes made to systems and processes means there is now sufficient information available in respect of the SHPS which has enabled the assets and liabilities to identified for each participating employer. The accounts have been adjusted to recongise the full liability.

	2024	2023
	£	£
Brought forward pension liability	547,191	567,300
Pension contributions paid during the year	(109,753)	(104,195)
Pension costs recognised during the year	28,007	18,000
(Gains)/ losses on defined benefit pension scheme	94,644	66,086
	<u>560,089</u>	<u>547,191</u>

The trustees of SHPS have communicated that an ongoing benefits review has identified that certain historic changes to scheme member benefits require clarification on whether scheme rules have been followed. The main issue is linked to the application of inflation changes and TPT is seeking direction from a Court ruling as to the correct interpretation of scheme rules with a ruling not currently expected before late 2024. An indicative assessment from TPT is that the impact on scheme liabilities could be an increase of approximately 3.9%. No provision has been made within the pension liability for this amount.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST**Notes to the financial statements****For the year ended 31 March 2024****20 Defined benefit pension scheme liability (continued)**

	2024 £	2023 £
Social Housing Pension Scheme	560,000	547,000
The Growth Plan	<u>89</u>	<u>191</u>
	<u>560,089</u>	<u>547,191</u>

EMPLOYER: E3488 - HACT**PLAN: SOCIAL HOUSING PENSION SCHEME****Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)**

	31 March 2024 (£000s)	31 March 2023 (£000s)
Fair value of plan assets	2,386	2,411
Present value of defined benefit obligation	2,946	2,958
Surplus (deficit) in plan	(560)	(547)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(560)	(547)

Reconciliation of opening and closing balances of the defined benefit obligation

	Period from 31 March 2023 to 31 March 2024 (£000s)
Defined benefit obligation at start of period	2,958
Current service cost	-
Expenses	4
Interest expense	142
Member contributions	-
Actuarial losses (gains) due to scheme experience	(28)
Actuarial losses (gains) due to changes in demographic assumptions	(30)
Actuarial losses (gains) due to changes in financial assumptions	14
Benefits paid and expenses	(114)
Defined benefit obligation at end of period	2,946

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST**Notes to the financial statements****For the year ended 31 March 2024****20 Defined benefit pension scheme liability (continued)****Reconciliation of opening and closing balances of the fair value of plan assets**

	Period from 31 March 2023 to 31 March 2024 (£000s)
Fair value of plan assets at start of period	2,411
Interest income	118
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(138)
Employer contributions	109
Member contributions	-
Benefits paid and expenses	(114)
Fair value of plan assets at end of period	2,386

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was (£20,000).

Defined benefit costs recognised in statement of comprehensive income (SoCI)

	Period from 31 March 2023 to 31 March 2024 (£000s)
Current service cost	-
Expenses	4
Net interest expense	24
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	28

Defined benefit costs recognised in Other Comprehensive Income (OCI)

	Period from 31 March 2023 to 31 March 2024 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(138)
Experience gains and losses arising on the plan liabilities - gain (loss)	28
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	30
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(14)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(94)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in Other Comprehensive Income - gain (loss)	(94)

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST**Notes to the financial statements****For the year ended 31 March 2024****20 Defined benefit pension scheme liability (continued)****Assets**

	31 March 2024	31 March 2023
	(£000s)	(£000s)
Global Equity	238	45
Absolute Return	93	26
Distressed Opportunities	84	73
Credit Relative Value	78	91
Alternative Risk Premia	76	4
Emerging Markets Debt	31	13
Risk Sharing	140	178
Insurance-Linked Securities	12	61
Property	96	104
Infrastructure	241	275
Private Equity	2	-
Private Debt	94	107
Opportunistic Illiquid Credit	93	103
High Yield	-	8
Opportunistic Credit	-	-
Cash	47	17
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	15	73
Secured Income	71	111
Liability Driven Investment	972	1,111
Currency Hedging	(1)	5
Net Current Assets	4	6
Total assets	2,386	2,411

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key Assumptions

	31 March 2024	31 March 2023
	% per annum	% per annum
Discount Rate	4.87%	4.89%
Inflation (RPI)	3.19%	3.20%
Inflation (CPI)	2.76%	2.72%
Salary Growth	3.76%	3.72%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

20 Defined benefit pension scheme liability (continued)

SCHEME: The Pensions Trust – The Growth Plan

Present values of provision

	31 March 2024 (£s)	31 March 2023 (£s)	31 March 2022 (£s)
Present value of provision	89	191	300

Reconciliation of opening and closing provisions

	Period Ending 31 March 2024 (£s)	Period Ending 31 March 2023 (£s)
Provision at start of period	191	300
Unwinding of the discount factor (interest expense)	7	5
Deficit contribution paid	(109)	(109)
Remeasurements - impact of any change in assumptions	0	(5)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	89	191

Income and expenditure impact

	Period Ending 31 March 2024 (£s)	Period Ending 31 March 2023 (£s)
Interest expense	7	5
Remeasurements – impact of any change in assumptions	0	(5)
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

20 Defined benefit pension scheme liability (continued)

Deficit contributions schedule

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

Year ending	31 March 2024 (£s)	31 March 2023 (£s)	31 March 2022 (£s)
Year 1	91	109	109
Year 2	-	91	109
Year 3	-	-	91
Year 4	-	-	-
Year 5	-	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

England & Wales - Charity number 1096829

Accounts

HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

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**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

LEGAL AND ADMINISTRATIVE DETAILS

The Housing Associations' Charitable Trust Limited (HACT) is registered as a charity; charity registration number: 1096829; company registration no: 4560091.

The charity is governed by its Memorandum and Articles of Association.

Board members who served during the financial year (1 April 2022 – 31 March 2023) and up to the date of this report, approved these accounts on 28th September 2023:

Gavin Cansfield (Chair)
Kalwant Grewal (Treasurer)
Nick Atkin – resigned 24/11/2022
Sam Hyde – resigned 04/10/2022
Jules Bickers
Mary Gibbons
Rachel Honey-Jones
Shaun Holdcroft
Andrew Cowan
Michelle Levi
Michelle Dawson – appointed 24/11/2022
Caroline Pillay – appointed 24/11/2022
Nigel Wilson – appointed 24/11/2022

Other legal and administrative details

Chief Executive & Company Secretary: Andrew van Doorn OBE

Key Management personnel: Andrew van Doorn OBE
Jacqui Bateson
Matthew Grenier

Registered office: Canopi
7 - 14 Great Dover Street, London
SE1 4YR

Auditors: Sayer Vincent LLP
Invicta House
108-114 Golden
Lane London
EC1Y 0TL

Bankers: Unity Trust Bank plc
9 Brindley Place
Birmingham
B1 2HB

Solicitors: Bates, Wells & Braithwaite
2 – 6 Cannon Street
London
EC4M 6YH

CHAIR'S INTRODUCTION

I am pleased to present HACT's Annual Report for 2022/23.

At the beginning of the year, the Board agreed a new five-year Strategy and Corporate Plan. This gave us the opportunity to reflect on our social purpose and how we will drive forward our vision for a vibrant and high-quality housing sector that provides great affordable homes and builds successful communities where people can thrive.

Working with and through social landlords is at the core of our approach. Supporting them to drive impact and unlock their full potential and social purpose is absolutely central to our mission. Housing is a fast-changing environment, with significant pressures and uncertainty about the future, both politically and economically.

Sadly, the UK finds itself in a worsening housing crisis, built over decades of under investment and the failure of the market and governments to adequately respond to changing demographics and need. This comes at a time of worsening poverty, health inequalities, fractured communities, high inflation, and a cost-of-living crisis. A tougher economic environment as a result of Brexit and a global pandemic, together with the need to decarbonise and invest in building safety and quality, present real financial challenges for social housing. This also comes at a time of a renewed focus on tenant experience and new legislation that strengthens consumer regulation and the delivery of quality within housing. It is in this environment where HACT seeks to drive improvement and impact.

Social landlords are long-term, asset-based anchor institutions, and whilst they and their residents face many challenges, it is through working collaboratively with their partners in the public, private and voluntary sectors that they will deliver long-term solutions. They have a significant presence in neighbourhoods across the UK, working at the sharp end of poverty, inequality, and injustice. The impact of the sector doesn't end at the front door of the homes they provide, and nor do we. We are keen to ensure that all the organisations that make up the sector, and beyond, can be part of the transformation that our communities need.

Over the past year, we have delivered on some major sector-wide collaborations, as well as sowing the seeds for the future. The new UK Social Value Bank was launched in June 2022 and is the building block of our Social Value Roadmap. Over 50 organisations worked together to develop new values and guidance about how to embed social value across all areas of housing. Social Value Insight was also launched and provides access to the UKSVB and guidance online. We concluded our development of the UK Housing Data Standards and were pleased to see the Better Social Housing Review recommend its adoption as a way of delivering improvements in data quality and insights that will benefit residents. How we support adoption of the UKHDS is now our focus.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

We continue to support the sector's response to the cost-of-living crisis through our Centre for Excellence in Community Investment. To date we have distributed £3.2m in fuel support, through both fuel vouchers and debt write off schemes with a network of 190 social landlords. And are supporting new collaborations around creating age friendly neighbourhoods, addressing digital exclusion, promoting race equality, and tackling food insecurity. Our focus on health and housing continues to be sector leading. By brokering new collaborations between the NHS and social housing and giving NHS Trusts the tools to reform the way they work, we are helping to deliver a more integrated landscape that addresses health inequalities and promotes improved outcomes for some of the most vulnerable in our communities.

How we achieve Net Zero has also become a key focus for HACT and our sector. Over the past year we have successfully piloted a carbon credit for retrofitting housing - Retrofit Credits. Working in partnership with Arctica Partners, we have launched the first carbon credit in the world that seeks to accelerate the decarbonisation of homes. We have demonstrated that retrofitting housing can reduce carbon and improve wellbeing through greater energy efficiency and more affordable warmth.

In January I was delighted to hear the news that our Chief Executive, Andrew van Doorn, was awarded an OBE in the King's New Year's Honours List for his services to housing. This is an important recognition of the impact that he has made leading the team at HACT, and his commitment to driving innovation with us for the past twenty years. It is richly deserved and on behalf of all at HACT I would like to offer him our warm congratulations.

Delivering our impact takes commitment and dedication from all involved. On behalf of the Board, I want to acknowledge and thank the staff team for their fantastic work over the year. Their expertise, enthusiasm and incredible hard work has ensured our continued success and ability to adapt and thrive. I want to thank my fellow board members for their commitment and passion, and thank all our partners and supporters who continue to see the value of collaboration and transformation.



Gavin Cansfield HACT
Chair
28th September 2023

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

The Trustees (Board), who are also directors under company law, present their report and financial statements for the year ended 31st March 2023.

The Board confirm that the financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

OBJECTIVES AND ACTIVITIES

The Memorandum and Articles of Association give the board members discretion to do anything providing it is "charitable". The activities of HACT are not necessarily restricted to one particular field of work and can operate world-wide if desired.

We strongly believe that the non-profit social housing sector, which provides one in five homes across England, provides a unique and valuable route through which support can be provided to those who need it most, often people and families who find themselves homeless, those with additional vulnerabilities, older people, those in need of care and support, and those on low incomes. Most fundamentally through the provision of a home – a universal need – but also through investing in support for individuals and communities across the country.

We seek to fulfil our charitable mission by providing a focus for ideas and innovation, collaboration and insight for projects which have charitable outcomes. We create products and services, and run UK-wide projects with the sole aim of helping social housing providers deliver more effectively to the individuals and communities they support. We are proud of having built a social business capable of delivering that mission through everything that we do.

PUBLIC BENEFIT

HACTs vision is for a vibrant and high-quality social housing sector that provides great affordable homes and builds successful communities where people can thrive.

Our mission is to support the sector to enable, enhance and unlock the full potential of its social purpose and respond creatively to the challenges faced by people and their communities.

We create collaborations in and outside of the sector that embrace innovation. By working creatively together, we drive impact for residents through their landlords and the partnerships they create.

We provide a focus for ideas, insight and leadership: creating projects, products and services that supports transformation and challenges ourselves in our drive for excellence.

HACT is a charity and social enterprise which partners with organisations across the housing sector to drive value for residents and communities through insight-led products and services which encourage innovation and foster collaboration.

We help them measure their social value, better understand the communities they serve and connect with like-minded organisations.

We are passionate and optimistic leaders in housing who fundamentally believe in the transformative potential of the social housing sector.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

HACT has supported the sector to develop and grow for sixty-three years. We are a dynamic and leading agency focused on unleashing the transformative power of the social housing sector. We have always believed in and focused our energy and resources on driving forward its social purpose.

We support people, communities and organisations to explore new ideas and develop the solutions for tomorrow. As we move forward in the next five years, our passion and optimism is undiminished, and our commitment to social housing and social justice is unwavering. We believe that residents and communities deserve nothing less than excellence, and we will challenge ourselves and support sector-wide transformation to achieve it.

The impact of the sector doesn't end at the door of the homes they provide, and nor do we. There are many people and organisations who have a stake in creating successful places where people can thrive. These include local authorities, the NHS, the third sector, local businesses, investors, developers, tech providers, and those who provide services to housing providers.

Our collaborations drive value for organisations, residents and communities. And new partnerships are needed to address the challenges we face today and tomorrow. A connected and collaborative sector that embraces new ideas and opportunities, is at the core of our vision for housing.

The Trustees have paid due regard to the guidance issues by the Charity Commission in deciding what activities the charity should undertake. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trustees consider the current activities deliver public benefit. Details of the objects which form the basis of this are given in this report.

ACHIEVEMENTS AND PERFORMANCE

At the beginning of 2022, the Board agreed its new Strategic Plan 2022 – 2027. This was an opportunity for HACT to reflect on its charitable purpose and mission, our role within the sector, and identify our priorities for the future. Our Strategic Plan is a growth plan, in both impact and income, and we have set three Strategic Objectives:

1. Grow our products, services and projects that deliver on our mission and build our sector's impact
2. Build and engage and high performing team
3. Develop a more sustainable and agile business that invests in the future for HACT and the sector

HACT's charitable activities and our impact continues to manifest in the variety of ways we work to support the sector to deliver on its social purpose. We develop tools and products that provide insights to aid and improve decision-making that drives impact; we provide value-adding consultancy that helps social housing organisations to build their own capacity; we act as a broker between sectors, offering insights, advice and guidance between related sectors; we provoke and challenge through thought leadership; we enable sector-wide collaboration and develop projects through our networks that are focused on innovation and impact; we invest in R&D to create new impact-based products; we deliver masterclasses and training; we curate quality events; and we consistently explore how to generate and deliver new ideas for the social housing sector.

All this work is centred on the fundamental aim to help social housing providers drive change within their own businesses, enabling housing providers to sustain resilient and successful social businesses by generating actionable evidence to inform decision-making, and to unlock the ways they can achieve their social purpose.

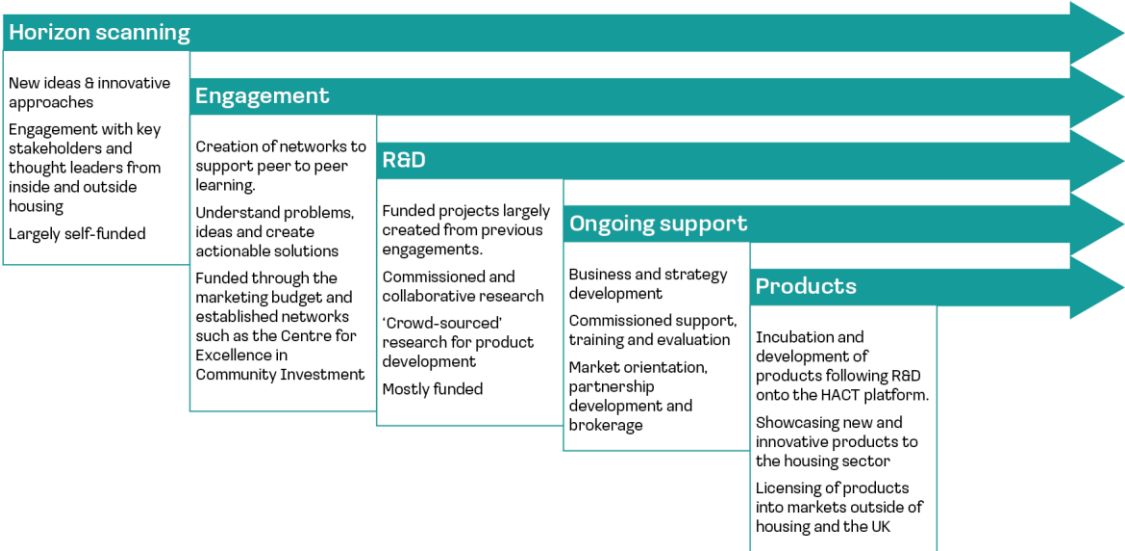
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We structure our work around six areas – Social Value, Community Investment, Health and Housing, our Insight tools, Digital, and Net Zero Carbon. We also seek to innovate in new areas, both planned and opportunistically, as new issues and concerns arise, and include a research and development pipeline across all these areas of work.

We mainly work with large and medium sized social landlords and are increasingly expanding our work with those sectors and organisations that work with housing, where we play a significant brokerage role. This includes work with developers and the housing supply chain, NHS service providers, local authorities, the public sector, and the broader community and voluntary and social enterprise sectors. Social landlords are at their best when they are collaborating and working together in the communities where they work.

Our networks and our breadth and depth of expertise enable us to support other sectors to understand the businesses and priorities of social housing, explore how they can drive impact and social value, and to find ways of working creatively to generate impactful solutions.

Our approach can be conceptualised in several iterative stages:



Social Value (HACT Value)

HACT has pioneered the wellbeing approach to social value for ten years. This ensures the focus for social value measurement is about the impact that people experience in their lives and communities. HACT is the leading social value advisor in the housing sector. We have a reputation for designing robust credible methodologies that provide powerful and actionable insights. With our new UK Social Value Bank, and ground-breaking AI tools, we are supporting organisations to place social value insights, understanding and evidence at the heart of decision making. By delivering on the ambition of our Social Value Roadmap, our social value approach is addressing key business challenges, demonstrating how social value insight can improve services and influence policy in the housing sector and beyond.

Back in 2012 HACT worked collaboratively with Simetrica-Jacobs to develop the repository of values within the UK Social Value Bank, which were and continue to be generated using the Wellbeing Valuation

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Model. The UK Social Value Bank remains the largest bank of methodologically consistent values that exists globally. It's robust and reliable approach, along with it's accessibility to any organisation wishing to use it has meant that it's importance and recognition has grown significantly over the years. It is recognised in the supplementary guidance on valuing wellbeing to the UK Governments Green Book issued by HM Treasury.

In June 2023 we launched the New UK Social Value Bank. This delivered the first phase of our Social Value Roadmap, We reviewed and updated all of the values available in the UKSVB, created new environmental outcome values, and added Exchequer Valuation alongside the Wellbeing Valuation.

The values are free for housing associations to use, and are licensed to others, through our trading subsidiary HACTHAL. The UK Social Value Bank is housed in our Social Value Insight tool within the HACT online platform. The tool allows organisations to easily define, forecast, capture and record the social value they create across their business, this includes the ability to engage with an organisations partners and key stakeholders to ensure data can be collected seamlessly and efficiently. We provide a range of consultancy, training, certification, networks and guidance around social value.

We have expanded our approach to make it simpler to manage social value measurement across the whole organisation with our procurement module, which is part of the overall package. Developed collaboratively to ensure it aligns well with user expectations and provides an excellent experience, this has enabled us to enable organisations to truly bring together a strategic approach to social value transformation activity.

Utilising our first class research skills, we have undertaken a number of commissions to enable organisations to explore their organisational approach to social value, bringing in community investment strategies alongside this. In addition, we continue to support organisations to improve their skills, knowledge and understanding of social value through support services and training.

The profile of social value impact measurement continues to be highly relevant and HACT is a leader in this space. We have seen interest in our approach grow beyond social housing into the wider housing supply chain and beyond. Our social value conference continues to be popular with attendance at c. 600 during the year.

Community Investment (HACT Local)

Community Investment is at the heart of HACTs work that supports housing associations in their community investment and neighbourhood's work. Community investment is a key expression of the sector's social purpose with housing providers continuing to demonstrate their commitment to the neighbourhoods and communities where they work. Investment in communities naturally aligns with social value impact measurement and bringing this thinking together is key to our work.

We set-up and launched Centre for Excellence in Community Investment in 2018 to champion and support community investment in the UK. It now involves over 240 organisations. Our approach to networks is increasingly focussing on creating environments where specific areas of opportunity and challenge can be shared and examined, sometimes leading to R&D and major innovation projects to explore.

The Cost of Living Crisis is impacting acutely on people living in social housing, and their communities. The role of Community Investment has therefore never been more important. But so has the need to innovate and collaborate in this space. Providing a space to identify issues and solutions, and bring organisations together to collaborate, is at the core of our work.

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During the year, we have worked on a number of projects which support communities:

Rentflex – a tool which enables residents to manage their rent payments to minimise the likelihood of arrears which we are piloting with a number of key stakeholders and partners.

Age Friendly – a 2-year project in Southwark, Bradford and Bournemouth, Christchurch and Poole, exploring the hypothesis that if organisations have people on the ground in local neighbourhoods, they can help older people stay in their homes for longer.

Green Skills – a new 3-year project, locally based in Bournemouth, which is testing a number of ways in which there could be an uplift in the skills required in order to meet the challenges of the de-carbonisation agenda.

Addressing Fuel Poverty

Fuel poverty has been a significant feature during the pandemic and is now being fuelled by escalating energy costs and the cost-of-living crisis. To ensure that people living in social housing can access the right support, the Centre formed a collaboration with housing organisations to channel fuel vouchers to those in greatest need. Over the course of the year, we have received and distributed vouchers through our UK based network of 131 housing providers. In the 2022/2023 financial year we received an allocation of funding of £500k from the Energy Savings Trust and £500k from the Scottish Government, via the Scottish Federation of Housing Associations. And, additional funds of £0.6m from housing associations and other organisations in the housing supply chain which were carried over from the prior year or refunded from expired vouchers.

Housing providers really appreciate our role in securing and administering hardship support. It enabled resources to get into the direct hands of their tenants quickly and efficiently. It demonstrates the impact that HACT can have with the sector when working collaboratively through our networks and is a role that we will continue to take forward.

Health and Housing (HACT Health)

The connection between housing and health has never been so important. HACT Health supports housing associations and NHS providers to develop new relationships that lead to major improvements in healthcare for their residents.

Our work with NHS Trusts continues to grow and evolve. We support both shorter-term engagements to broker new relationships between the NHS and housing, and longer-term transformation to embed new expertise and approaches. We commonly work with NHS trusts, Commissioners, and public health teams on strategy development, market engagement and brokerage, care pathway re-design, evaluation of services, and strategic partnership development.

A key focus of our work is on supporting people with acute mental ill health, learning disabilities, and autistic people, to live successful lives in the community through enhancing collaborations between the NHS and housing. We are a leading expert in this field and have worked extensively across the country in supporting care pathway redesign. In May 2022 we launched the outcomes of a major Mental Health and Housing Summit, run in collaboration with the NHS Confederations Mental Health Network.

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With increasing demand on NHS services, we have also worked throughout the year to develop and support new collaborations and unlock the opportunities of more integrated care. We have supported the development of a new ICS-wide collaboration for Mersey and Cheshire, in Worcestershire and in the Black Country. We are addressing health inequalities through supporting

social housing tenants into NHS jobs, by improving access to community services run by housing associations, and by evaluating and promoting the role of housing in Social Prescribing.

We are also supporting the NHS to develop their understanding of Social Value and transfer learning and tools used from the social housing sector.

Insight Tools (HACT Insight)

We focus on providing affordable and easy to access and use insight products to the desktops of staff in housing and multiple other industries.

Our Social Value Insight tool was launched in June 2022 and is the vehicle through which we deliver the UK Social Value Bank, providing organisations with a platform which allows them to plan, monitor and manage their social value activity through to completion, creating a robust and complete picture of impact made. Social Value Insight not only houses the UKSVB, it also provides learning modules and use cases for applying social value measurement to a whole range of different areas of an organisations work. In housing this includes how social value can be used in asset management, development, community investment, procurement, resident involvement and many more. This is our key outcome for delivering Phase 2 of the Social Value Roadmap.

Our research activity is also a key part of HACT Insight. As well as undertaking evaluations for housing associations of their work and impact, we aim to look at bigger issues of wider relevance to the sector. During the year we worked with Public Health Bedfordshire and Grand Union Housing on a collaborative piece of research to create a blueprint for a new way of joint working.

During the year, in response to the consultation by Government on 2023/24 social housing rent settlement, we launched a new tool to assess the impact of different rent levels on the financial resilience of tenants. This accelerated our ongoing research work looking at resilience and seeking better data driven ways to understand it within communities.

We continued to deliver Community Insight in partnership with OCSI during 2022/23. However, following feedback from our subscribers, we have made the decision to update our approach to data mapping as a tool. We are creating a brand new tool which will be housed on the HACT platform and will provide a seamless interface with our existing tools on the platform as well as being a standalone tool in itself. This means that we will end our long-standing relationship with OCSI, where both parties agreed that the time was right to move forward separately. We are grateful to have had the opportunity to collaborate with OCSI to bring this product to market. (For impact on financials see Financial Review section).

Digital (HACT Digital)

We have been working since 2016 to provide an answer to the perennial complaint of 'bad' data in the sector. Working with OSCRE, we have collaborated with over a hundred housing associations to develop the UK Housing Data Standard. The standard now covers seven domains covering everything from core customer data; voids allocation; income and service charge collection and care and support, to all things related to the building; planned and reactive repairs and development handover.

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We continue to engage at the highest level with the UK Housing Data Standards in recognition of its significance as part of the Buildings Safety legislation, recognised by Dame Judith Hackitt in a letter to us:

““We see real value and importance in the UK Housing Data Standards (UKHDS) you are developing,” she wrote. “They will enable organisations to keep information about the way homes

are constructed and how they meet the compliance regime in an accessible way that can be shared with residents and contractors alike.”

“In my interim report,” Dame Judith Hackitt continued, “I stated that there needs to be a golden thread for complex buildings so that the original design intent, and any subsequent changes or refurbishment, are recorded and properly reviewed. We therefore welcomed the fact that the Housing Associations' Charitable Trust (HACT) has been proactively leading the way on developing the golden thread.”

Earlier in the year, the Better Social Housing review recommended the use of the UKHDS and the importance of having a single data standard across the sector to ensure data could be relied on at all points in its journey. We are now working with the sector to take this forward.

Net Zero Carbon

The Climate Crisis is a significant challenge for our people, places and planet. For housing, there is a need to decarbonise the housing stock, which could cost around £300bn in the next 20 years. Achieving Net Zero is a key challenge, and a key opportunity for social landlords, and is a new area of our focus and innovation.

Early in the year, we launched a paper addressing how housing associations can deliver a Just Green Transition. This placed the importance of engagement and collaboration with tenants at the core of the transition, and asked how do we ensure that those experiencing the worst inequalities benefit the most from the transition.

Our main R&D focus over the past year, has been to develop and pilot a new product, Retrofit Credits. This is a voluntary carbon crediting scheme which supports the de-carbonisation of homes through retrofit activity. It combine a carbon reduction methodology with our UK Social Value Bank, demonstrating that retrofit activity not only reduces carbon, but also improves wellbeing. In partnership with Arctica Partners Limited, we have developed and completed the final step in the registration process with the carbon standards agency VERRA. We have piloted how to bring this to market, generating 4,900 carbon credits, and sold these credits to organisations who want to off-set their carbon. This means that the Retrofit Credits product is now fully live, and we have over 100,000 properties registered for future retrofit activity.

As part of this project, we are developing the Retrofit Credits platform within the HACT platform to create an easy-to-use portal for both providers and buyers of the carbon credits scheme.

Events, masterclasses and learning

We continue to run a range of events, seminars and learning programmes. With all activity now online, we have been able to reach a much wider audience and engage more people in more frequent learning activity. Other than our longer-term learning development programmes and our social value masterclasses, all other events and webinars were free to attendees.

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With PlaceShapers we continue to deliver the NED Network for Housing. This peer-led network provides a space for Board Members of Housing Associations to explore key governance and strategic issues, and keep up-to-date with developments inside and outside of the sector.

Our approach to events and learning has translated to an increase in demand for in-house training and consultancy that is increasingly workshop-based, providing the same feel for attendees as our other events, but with more focus on specific challenges faced by the social housing sector.

FINANCIAL REVIEW

Income generated during 2022-23 was consistent with income from 2021-22.

Income has continued at a steady rate in line with forecasts across the year, with a noticeable increase in HACT Insight income as a result of our investment in social value tools.

As a charity, our funds are classified as either Unrestricted funds or Restricted funds. Restricted funds are a reserve of money that can only be used for specific purposes. Restricted funds provide reassurance to donors/grantees that their contributions are used in a manner they have chosen. The impact of the timing of these funds to HACT means that whilst in the 2021/2022 financial year achieved a small surplus, this has been counterbalanced in the 2022/2023 financial year when fuel funds received were unspent by the year end. It should be noted that the remainder of the fuel funds had all been distributed by the end of July 2023.

Income generated and raised during 2022-23 was £3,530,495 with £1,616,627 (45%) available for unrestricted purposes. Total expenditure was £3,071,689 with expenditure for unrestricted purposes of £1,482,645 (48%).

	2023	2022
Income		
Earned income	1,616,627	1,959,196
Unearned income	1,938,585	1,596,701
Total	3,555,212	3,555,897
Expenditure		
Raising funds	33,486	81,057
Charitable Activities	3,038,203	3,474,436
Adj for:		
IP tool amortisation*	-271,333	-123,333
Pension costs**	86,195	111,118
Total	2,886,551	3,543,278
Net result on normal activity	668,661	12,619

*

** The pension cost figure is the net of the employer contribution of £104,195 actually paid for the year and the defined benefit costs of £18,000 recognised as expenditure in SOFA both of which are set out in note 20 to the accounts.

HACT ended the year with a surplus of £668,661 on normal activities (as outlined in the table above). Together with the pension costs, IP amortisation and actuarial loss on the pension of £66,086 there is a total loss of £162,563, as shown on the SOFA.

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Investment Policy and Performance

In accordance with HACT's governing document the Trustees have the power to invest in such stocks, shares, investments and property in the UK, as it deems appropriate. HACT had no investments during the 2022-23 financial year.

Pension

HACT is a member of the Social Housing Pension Scheme operated by the Pensions Trust. From April 2013 staff have access to the defined contribution scheme. Before this date staff were members of the defined benefits scheme.

As noted, the full assets and liabilities of the SHPS scheme are now calculated for each employer. The pension liability is now £547,191 and this appears on our balance sheet. This is lower than our liability last year (£567,300) due to payments into the scheme, payments out of the scheme (benefit payments and expenses) and reduced investment return over the period. The performance of investment assets is subject to market conditions and can fall as well as rise. However, it is important to note that our operational position remains viable.

The pension scheme is not expected to crystallise at a single point in time and is affordable as long as annual contributions can be met. The Trustees are aware of the risks of the pension scheme and have taken steps to ensure that a member of staff at all times remains a member.

We were prepared for the fact that fully valuing the pension liability would have a significant impact on our Balance Sheet. The Trustees will continue to work closely with our auditors on the going concern consideration.

During the pandemic, the Trustees considered the potential challenges for HACT and in order to plan for challenges, we deferred pension payments for 6-months to ensure cash flow in the business was not compromised. The repayments re-started in April 2021 and the deferred amount was fully repaid by the end of the financial year ending 31 March 2023.

The Triennial valuation of the SHPS scheme took place 30 September 2020. HACT has received notification that this valuation shows a scheme deficit of £31.6m, an improvement over the previous valuation in 2017 (£131.5m deficit).

HACTHAL

HACT has a fully owned trading subsidiary HACTHAL and the accounts include the results of HACTHAL, which includes licences for the UK Social Value Bank and sponsorship. The influence on the 2022-23 financial year not material due to the higher take up of the Social Value Insight tool by housing associations, who do not pay for social value licences. Ongoing development and recognition of the tool provides income opportunities which are growing over the coming years.

INTELLECTUAL PROPERTY

The Intellectual Property consisted of two online data mapping tools used by Housing Associations called Community Insight and Social Value Insight, which replaced Value Insight and this has now been reduced to IP for the Social Value Insight tool only.

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Community Insight IP has been removed from the balance sheet in recognition of the fact that this IP will be retired during the current financial year and therefore is currently not creating a sustainable income stream for the future, this has resulted in impairment of IP and reduction in fixed assets of £580k.

Social Value Insight is an online product and a social value calculation, forecasting and mapping tool, used mainly by housing associations and others from related industries. It's basic functionality – measuring and forecasting social value – is not unique. However, some aspects are unique – the mapping of social value and social value proxies that are embedded within the tool.

It is the policy of HACT that Intellectual Property is only recognised as Intangible asset if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably. The Intellectual Property was revalued as of 31 March 2022, with Social Value Insight valued at £932,000. Every three years we re-value the Intellectual Property, however, if we recognise a material impact in sales activity for any reason the Trustees may decide to do this earlier, given the development of new tools in the platform, however, this is not an immediate need.

RESERVES POLICY

The Board are fully aware of the need to ensure HACT's ongoing and future viability. In order to provide consistently high quality and reliable services and innovation programmes, HACT must have at all times sufficient resources to finance planned activities, deal effectively with unexpected setbacks, and take advantage of opportunities for expanding and improving its work.

The enterprise and innovation nature of HACT's business requires sufficient funds to manage cash flow risk, as well as adequate resources to invest in ongoing development and innovation. Any business heavily invested in research and development will require adequate reserves to invest upfront in new products and services.

HACT's policy is reviewed annually by the Board at the first meeting after the financial year end. HACT's policy covers the following areas:

1. The types of funds or reserves which HACT will retain and the reasons why;
2. How to assess and determine the required level of retained funds or reserves; and
3. What steps will be taken to create and maintain the required funds.

Assessment of Reserves Needs

The general reserve target is to hold closure costs calculated at £228k. There is currently no maximum reserves target.

The reserves policy is informed by a realistic assessment of HACT's needs on a regular and consistent basis in the context of the business plan and in light of:

- Forecasts for levels of future income, including the reliability of each source of income and the possibility of new sources;
 - Forecasts for future expenditure on the basis of the level of planned activities;
 - An analysis of future developments, contingencies or risks; and
 - An assessment of the likelihood of those future events, and their impact on HACT's operation.
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Likewise, given the impact of the full pension liability, which is brought onto the balance sheet, we now consider our reserves policy explicitly in relation to the pension liability as well. HACT has a pension liability of £547k in relation to the defined benefit scheme. Excluding the pension liability, reserves stand at £1.9k, with the pension liability, we show reserves of £1.4m.

Of our current net assets of £1.4m, £897k is in our restricted fund with £314k sitting in the general reserve and an additional £75k sitting in a general designated fund, totalling £389k. These reserves are higher than our calculated closure costs of £228k, Board recognises that the total pension liability

does not translate to a cash payment and that we will be able to cover payments on an ongoing basis. As such, unrestricted general funds will not be designated to cover this liability.

With a robust and realistic annual budgeting process in place, and the Executive and Leadership teams scrutinising budget and cashflow on a monthly and ongoing basis, Trustees are confident that HACT will continue to build on our reserves in the medium to long term. HACT has procedures in place to mitigate the risk of the pension liability crystallising. With the understanding that the liability will only crystallise at the point at which no member of staff is enrolled in the current scheme, Board and the Executive have agreed therefore that HACT will, if it becomes necessary, absorb the cost of a junior member of staff to join the existing scheme.

Fund	Purpose	Basis of calculation	Reserves held on 31.3.23
1) Restricted funds	As specified by third parties	Amounts received / outstanding	£ 897,369
2) Unrestricted funds:			
a) General Reserves	Covers the need for day- to-day working capital; unavoidable budget shortfalls; disruption of business; loss of income, etc.	Past experience, risk analysis / scenario planning - aim to hold a minimum level equal to 3 months' expenditure less designated reserves.	£ 313,584
b) Revaluation Reserve	Future amortization of Intellectual Property	Value of the Intellectual Property, revalued Jul 2019	£ 676,917
3) Designated funds:			
R&D Reserve	Provide investment into new products at risk	Past experience, allocation against plans for new development.	£ 75,000
Total funds, excluding pension deficit			£ 1,962,870
4) Pension reserve			
b) Pension Reserve Liability	The NPV of the SHPS Pension deficit payment liability	Provided by SHPS Actuary	-£ 547,191
Total, including pension liability			£ 1,415,679

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Fundraising

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. HACT does not raise funds directly from the general public and does not actively solicit donations. We do not work directly with commercial sponsors but where commercial sponsorship is arranged for an event a clear contract is in place between the trading company, HACTHAL and the commercial sponsor. The Trustees are not aware of any complaints made in respect of fundraising during the period.

Safeguarding

HACT believes that everyone we come into contact with, regardless of age, gender identity, disability, sexual orientation or ethnic origin has the right to be protected from all forms of harm, abuse, neglect and exploitation. HACT will not tolerate abuse and exploitation by staff or associated personnel.

HACT commits to addressing safeguarding throughout its work, through the three pillars of prevention, reporting and response.

In November 2018, the Trustees agreed a new Safeguarding policy which has been reviewed and agreed in July 2022. The policy is designed to protect people, particularly children and at-risk adults from any harm that may be caused due to their coming into contact with HACT. This includes harm arising from:

- The conduct of staff or personnel associated with HACT.
- The design and implementation of HACT's programmes, research and activities.

The policy lays out the commitments made by HACT and informs staff and associated personnel of their responsibilities in relation to safeguarding.

In support of our approach to safeguarding, we also have policies and procedures on bullying and harassment, and whistleblowing.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board reviewed the risk register in February 2022 and reviewed it throughout the year as the impact of the pandemic continued. Risks are reviewed against our corporate strategy and assesses and monitors the level of risk arising in the following areas, which the Executive Team recognises as interdependent:

1. **Governance and management risks:** HACT has a strong Board, supported by a small Executive Team with extensive experience in organisational development and leadership. It meets regularly to review business strategy, and receives regular reports on business performance, both in relation to its activities and its financial management. HACT undertook a governance review against the new Code of Governance in the 2018-19 financial year and as a result the membership of the Board has diversified to ensure it has both depth and breadth of experience, as complementary to the executive and leadership teams. HACT has also strengthened the expertise of its senior management and leadership team. We are now 1-year through the current corporate plan and the Board have robust oversight in place to monitor performance against the plan, ensuring HACT continues to be a sustainable business for the future.

2. **Operational risks:** The Board monitors closely HACT's capacity and credibility, including ensuring the resources and expertise are in place to deliver on our mission effectively. Key operational risks include the tension between immediate product sales and growth of key products and a longer-term development pipeline. As an organisation focused on innovation, protecting time and resources to develop new ideas and projects is important to ensure this is not completely subordinated by immediate cash flow pressures. These interdependent risks ultimately impact on sustainability, the viability of our partnerships and management of these relationships, over-stretch of existing capacity, staff retention and customer relationship management. We continue to assess our resource requirements and, where necessary, add new roles to the staff team. Partnership working, with existing and new partners, helps address capacity needs and ensures flexibility. We have reviewed all partnership agreements and are entering into new agreements where necessary.
3. **Financial risks:** With a fully embedded social enterprise model, HACT's primary financial risks are now two-fold: securing sufficient income and sales to deliver an operating surplus that delivers the mission and business plan; and delivering a strong credit control regime that ensures sufficient cash flow. The Finance and Performance Committee, a formal Board subcommittee, continues to operate effectively, supporting the Treasurer and Executive in managing the organisational finances, reviewing cash flow forecasts and managing deposits and investments. Income and sales targets have been set for key areas of work and are reviewed quarterly against the business plan. The Credit Control system has

dramatically reduced trade debtors; we continue to review the Credit Control system to improve cashflow.
4. **External risks:** Ensuring HACT's continued relevance to and support from the social housing sector, including productive relationships with other sector bodies, is critical to the delivery of HACT's mission, and the sustainability of its income streams. HACT continues to invest heavily in building the necessary relationships with housing associations as the supporters, funders and customers of HACT. HACT also undertakes periodic market reviews, identifying major changes and new market entrants and products. The perception and reputation of HACT within the sector is another key area of focus. With significant attention on securing income and delivering projects, we also recognise the importance of explicitly communicating our impact and relevance to the sector through various media. HACT continues to invest in communications and marketing support as well as attendance at key events.
5. **Compliance with law and regulation:** The Board reviews HACT's Standing Orders periodically to ensure that the reporting framework and delegation of powers meet compliance requirements. The Board completed a fundamental review to ensure that HACT is operating within the new Code of Governance. Financial Policies and Procedures are also reviewed annually, and further improvements made to operational reporting arrangements in the last year.

PLANS FOR THE FUTURE

We are now in year 2 of our Strategic Plan. We continue to focus on growing the products, services and workstreams that are most successful, also reflecting on our role as a trusted partner and thought leader in the social housing sector, and what this means for the future. How we conceptualise our work, what we do, and how we relate to housing providers is more important than ever.

We have reflected on HACT's work now and into the future, working alongside our partners and social housing organisations to address the challenges ahead. We will continue to grow our offer, champion and enhance the social purpose of social landlords, and place social justice and social impact at the heart of our work. We are now a year into the launch of our new platform which houses our social value tools and we continue to seek ways to expand our reach and relevance in this area. We are about to develop a new tools to support organisations in making data led decisions in relation to investment decisions which result in social value outcomes. Capitalising on what has been some of the largest collaborations in the social housing sector, we will propel this work forward to deliver innovation, value and impact for social landlords, their tenants, and communities.

The importance and challenge of meeting Net Zero Carbon for social landlords is of critical concern. How we avert environmental catastrophe and ensure that our homes and our communities are sustainable for the future is an area that HACT is exploring. Our Retrofit Credits scheme pilot has now successfully completed and we continue to drive greater take up to bring about faster retrofitting activity for the de-carbonisation agenda. We continue our own digital transformation journey and embed our online platform, growing our license and subscription business. For HACT and for social landlords, there are other important considerations and opportunities that speak to our social purpose. How we move forward with social justice at the heart of our approach, that addresses poverty and creates opportunities for social housing, tenants and communities, will be a key strand of our future.

We are a growing organisation and have ambitious plans for ourselves and for our sector.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Housing Associations' Charitable Trust Limited (HACT) is registered as a charity; charity registration number: 1096829; company registration no: 4560091.

The charity is governed by its Memorandum and Articles of Association.

HACT's Standing Orders specify the planning and delivery framework and powers delegated to the Chief Executive.

HACT works throughout the United Kingdom predominantly in England and Wales, but also with partners in, Northern Ireland and Scotland.

HACT has a fully owned subsidiary (100% share capital) – HACT Housing Action Ltd (Company Registration Number 3616766).

HACT's Memorandum and Article of Association make provision for 15 Board Members to be appointed, although it is the Board's policy to not exceed 11 members. The Board brings knowledge and experience in governance, financial and organisational management, marketing, communications and strategic development. It is mainly comprised of senior professionals working within social housing organisations.

HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

HACT's Standing Orders explain the policy and procedures underpinning the appointment and conduct of the Board and robust procedures for Board induction.

The Board seeks to ensure a diverse group of Board Members given HACT's values and focus. This is achieved by monitoring and targeting groups to recruit a board which includes: women and black and minority ethnic representation; seeking younger people and people with fresh ideas and ways of thinking; and monitoring sexual orientation. Ideally at least one third of HACT's Board should be housing chief executives and/or senior housing personnel from across the regions.

HACT seeks to welcome new Board Members with an induction process that is both informative and supportive. The Board Member Induction, Support and Development policy and procedure outlines this process. A letter confirming the appointment will be sent with induction materials and information.

HACT recognises that Board and committee members are valuable assets and offers Board members a number of support mechanisms intended to assist them achieve and exceed its minimum standards of competency and contribution, and to facilitate continuous improvement in members' individual and collective performance.

The overall objective of Board Member induction, support and development is to optimise the contribution of the board to the work of HACT. This is achieved by:

- Identifying and recording skills, expertise and interests brought by Board Members to the board.
- Ensuring induction of new Board Members so they gain a good early understanding of how HACT operates and why; of its ethos and history, and of current issues.
- Providing personal support during the learning curve, primarily from the chair, senior staff, and from a fellow Board Member as a mentor.
- Ensuring all Board Members are aware of each other's skills, expertise and interests.
- Reviewing, after an appropriate induction period, areas in which Board Members wish to increase or reduce their level of contribution.
- Reviewing at appropriate times, with the chair, Board Members' contribution and to reach

mutual agreement about renewal (or non-renewal) of terms of office.

The Board has established the Finance and Performance Committee, a sub-committee of the

Board, with responsibility to oversee and scrutinise all financial and financial performance matters. The Finance and Performance Committee is chaired by the Treasurer.

All day-to-day operational and management decisions of the organisation are delegated to the Chief Executive, Andrew van Doorn OBE, the Managing Director, Jacqui Bateson and the Business Development Director, Matthew Grenier. HACT has in place comprehensive and robust financial management and control procedures with clearly defined delegated authorities and expenditure approval limits that are reviewed annually by the Treasurer.

During 2019-20 the Trustees completed a review of governance in line with the Charity Governance Code published in July 2017. Board is satisfied that we are compliant with the Code and took this opportunity to also review standing orders and publish a new Governance Handbook, which has now been operationalised.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

Remuneration policy for key management personnel

HACT has a remuneration policy for all staff which includes the Chief Executive, Managing Director and Business Development Director. In 2021 HACT undertook a salary benchmarking exercise to check that staff remuneration is fair and supports the recruitment and retention of high performing staff. The policy considers both internal and external factors and are reflected in the following Statement of Policy:

- The salaries and benefits paid by HACT will be fair and reasonable and in keeping with its position as a charitable organisation; salary decisions will be influenced by the funding constraints placed upon HACT as a charity.
- Salary policy will be linked to HACT's service objectives which will be supported by providing staff with terms and conditions which are effective in aiding recruitment and retention of quality staff.
- The principle of fairness will apply to all employment policy and processes and differentials will be based on clear differences in responsibility and market factors.
- Pay trends and market forces will be considered in determining salary levels as well as reference to charitable, voluntary, housing sector and other public sector comparisons, although there will be no one factor which automatically affects salary levels. Every 3-years a benchmarking exercise will be carried out to ensure salary levels continue to be in line with similar organisations of a similar size.
- Staff will understand how pay is determined and be able to raise a grievance on pay and benefits decisions which directly affect them.

Salary levels are therefore set based on decisions which reflect the overall movement in 'cost of living' and pay trends in the marketplace, reviewed annually and are based on the Charity's ability to pay. HACT sets its own pay structure, and considers arrangements in other sectors, particularly the voluntary and housing sectors. HACT does not pay below the London Living Wage.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also directors of charitable company for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2023 was 9 (2022: 11). The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Statement as to disclosure to our auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

Sayer Vincent LLP was appointed as auditor for the 2022-2023 financial year.

The trustees' annual report has been approved by the trustees on **28th September 2023** and signed on their behalf by;

.....
Gavin Cansfield
Chair

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Independent Auditor Report

For the year ended 31 March 2023

Opinion

We have audited the financial statements of The Housing Associations' Charitable Trust Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Housing Associations' Charitable Trust Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Independent Auditor Report

For the year ended 31 March 2023

Other Information

The other information comprises the information included in the trustees' annual report, other than the

group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report,

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Independent Auditor Report

For the year ended 31 March 2023

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, the finance & performance committee, which included obtaining and reviewing supporting documentation, concerning the charity's/ group's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity/ group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity/group from our professional and sector experience.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Independent Auditor Report

For the year ended 31 March 2023

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

17 November 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Consolidated statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 March 2023

				2023			2022
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	3	24,326	-	24,326	39,649	-	39,649
Charitable activities:	4						
HACT Local		23,050	-	23,050	81,757	-	81,757
HACT Health		303,489	-	303,489	430,068	-	430,068
HACT Insight		802,413	-	802,413	499,162	-	499,162
HACT Value		274,777	-	274,777	663,417	-	663,417
HACT Digital		135,181	-	135,181	224,360	-	224,360
HACT R&D		20,000	-	20,000	-	-	-
Charitable projects		33,000	1,938,585	1,971,585	20,000	1,596,701	1,616,701
Total charitable activities		1,591,910	1,938,585	3,530,495	1,918,764	1,596,701	3,515,465
Other income	5	391	-	391	783	-	783
Total income		1,616,627	1,938,585	3,555,212	1,959,196	1,596,701	3,555,897
Expenditure on:							
Raising funds		33,486	-	33,486	81,057	-	81,057
Charitable activities:							
HACT Local costs		46,420	-	46,420	66,446	-	66,446
HACT Health costs		240,249	-	240,249	338,597	-	338,597
HACT Insight costs		736,517	-	736,517	528,442	-	528,442
HACT Value costs		232,034	-	232,034	562,398	-	562,398
HACT Digital costs		190,890	-	190,890	192,315	-	192,315
HACT R&D costs		3,049	-	3,049	-	-	-
Charitable projects costs		-	1,589,044	1,589,044	-	1,786,239	1,786,239
Total charitable activities		1,449,159	1,589,044	3,038,203	1,688,197	1,786,239	3,474,436
Total expenditure		1,482,645	1,589,044	3,071,689	1,769,254	1,786,239	3,555,493
Net income/ (expenditure) for the year	7	133,982	349,541	483,523	189,942	(189,538)	404
Actuarial gains/(losses) on defined benefit pension schemes	20	(66,086)	-	(66,086)	23,995	-	23,995
Gains/ (loss) on revaluation of intellectual property	10	(580,000)	-	(580,000)	1,158,249	-	1,158,249
Approved by the trustees on 28th September 2023 and signed on their behalf by:	16	(257,712)	257,712	-			
Net movement in funds		(769,816)	607,253	(162,563)	1,182,244	-	1,182,244
Balances brought forward		1,288,126	290,116	1,578,242	(84,060)	479,654	395,594
Total funds carried forward		518,310	897,369	1,415,679	1,098,184	479,654	1,577,838

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Balance sheet

Company registration no. 4560091

As at 31 March 2023

	Note	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Fixed assets:					
Intellectual property	10	776,667	776,667	1,628,000	1,628,000
Tangible assets	11	616	616	143	143
Investments	12	-	10,000	-	10,000
		<u>777,283</u>	<u>787,283</u>	<u>1,628,143</u>	<u>1,638,143</u>
Current assets:					
Debtors	13	623,565	577,357	558,542	545,841
Cash at bank and in hand		<u>1,015,932</u>	<u>1,003,402</u>	<u>359,410</u>	<u>352,798</u>
		<u>1,639,497</u>	<u>1,580,759</u>	<u>917,952</u>	<u>898,639</u>
Liabilities:					
Creditors: amounts falling due within one year	14	<u>(453,910)</u>	<u>(405,172)</u>	<u>(400,553)</u>	<u>(391,240)</u>
Net current assets		<u>1,185,587</u>	<u>1,175,587</u>	<u>517,399</u>	<u>507,399</u>
Net assets excluding pension liability		<u>1,962,870</u>	<u>1,962,870</u>	<u>2,145,542</u>	<u>2,145,542</u>
Defined benefit pension scheme liability	20	<u>(547,191)</u>	<u>(547,191)</u>	<u>(567,300)</u>	<u>(567,300)</u>
Total net assets / (liabilities)		<u><u>1,415,679</u></u>	<u><u>1,415,679</u></u>	<u><u>1,578,242</u></u>	<u><u>1,578,242</u></u>
Funds	16				
Restricted funds		897,369	897,369	290,116	290,116
Unrestricted funds:					
Designated funds:					
R&D reserves		75,000	75,000	-	-
General funds		313,584	313,584	374,676	374,676
Revaluation reserve		<u>676,917</u>	<u>676,917</u>	<u>1,480,750</u>	<u>1,480,750</u>
Total unrestricted funds		<u>1,065,501</u>	<u>1,065,501</u>	<u>1,855,426</u>	<u>1,855,426</u>
Total funds excluding pension deficit liability		<u>1,962,870</u>	<u>1,962,870</u>	<u>2,145,542</u>	<u>2,145,542</u>
Pension reserves		<u>(547,191)</u>	<u>(547,191)</u>	<u>(567,300)</u>	<u>(567,300)</u>
Total funds		<u><u>1,415,679</u></u>	<u><u>1,415,679</u></u>	<u><u>1,578,242</u></u>	<u><u>1,578,242</u></u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part15 of the Companies Act 2006.

As permitted by section 408 of the Companies Act 2006, the company has not presented its own profit and loss account and related notes.

Approved by the trustees on **28th September 2023** and signed on their behalf by:

Gavin Cansfield
Chair

Kalwant Grewal
Treasurer

The attached notes form part of the financial statements.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Consolidated statement of cash flows

For the year ended 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities:					
Net cash provided by operating activities	a		761,466		264,987
Cash flows from investing activities:					
(Purchase) of fixed assets		(749)		(99,750)	
Pension contributions payments		(104,195)		(129,126)	
Cash (used in) investing activities			(104,944)		(228,876)
Change in cash and cash equivalents in the year			656,522		36,111
Cash and cash equivalents at the beginning of the year			359,410		323,299
Cash and cash equivalents at the end of the year	b		1,015,932		359,410

a) Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net (expenditure)/ income for the reporting period (as per the statement of financial activities)	483,523	404
Depreciation	276	243
Amortisation	271,333	123,333
(Increase)/decrease in debtors	(65,023)	455,142
Increase /(decrease) in creditors	53,357	(332,143)
Pension costs	18,000	18,008
Net cash provided by / (used in) operating activities	761,466	264,987

b) Analysis of cash and cash equivalents

	At 1 April 2022 £	Cash flows £	Other changes £	At 31 March 2023 £
Approved by the trustees on 28th September 2023 and signed				
Cash at bank and in hand	359,410	656,522	-	1,015,932
Total cash and cash equivalents	359,410	656,522	-	1,015,932

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP FRS 102). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary HACTAL on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Going concern

HACT has generated a deficit on unrestricted reserve funds of £769,816, after an inherited pension loss of £66,086 and IP revaluation loss of £580,000. Net operating deficit on normal activities was £123,730. At the end of the financial year there were defined benefit pension scheme liabilities of £547,191. Following the year end a thorough and detailed review of the financial position and future prospects was undertaken to safeguard the charity's future. The trustees believe that the pension's deficit shown on the balance sheet will not crystallise in the short term but is expected to be funded as necessary over the service lives of the related employees, through annual contributions. The trustees therefore consider it appropriate to prepare the financial statements on a going concern basis.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are

Income from the sale of tooling subscriptions is recognised at the point of invoice. Subscriptions are normally for a twelve month period so the whole of the income is recognised. Where a subscription is for a period greater than one year then part of the income falling outside of the current period is deferred.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies (continued)

The Intellectual Property consists of two data mapping tools used by Housing Authorities called Community Insight and Social Value respectively. Both tools were professionally valued as at 31st March 2022 by Valuation Consulting LLP, an independent valuation firm. HACT's share of Community Insight was valued at £696,000 and Social Value was valued at £932,000. The Historic cost of Intellectual Property is £147,250. HACT and OCSI have decided to retire the IP in the platform. Therefore, the value of Community Insight has been written down to nil in the Accounts.

The trustees consider a policy to revalue over a three years cycle as realistic. The intellectual property is expected to have a useful life of 6 years and will be amortised on a straight line basis over this period of time.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise of trading costs and the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising
- Expenditure on charitable activities includes the costs of delivering services, products and training and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Grants payable

Grant expenditure is recognised where there is a legal or constructive obligation to pay. All grants are recognised in the financial statements as liabilities after they have been approved, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the charity.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 6.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £300. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

☐ Fixtures and fittings	10 - 20%
☐ Computer equipment	33%

Intellectual Property

Intellectual property is initially measured at cost and subsequently revalued and is included at valuation less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as intellectual property when all of the following criteria are demonstrated: the technical feasibility of completing the software so that it will be available for use or sale; the intention to complete the software and use or sell it; the ability to use the software or to sell it; how the software will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and use or sell the software; the ability to measure reliably the expenditure attributable to the software during its development.

The trustees consider a policy to revalue over a three years cycle as realistic and latest revaluation took place this year. The intellectual property is expected to have a further useful life of 6 years and will be amortised on a straight line basis over this period of time.

Investments

Investments in the subsidiary company are held at cost.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies (continued)

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pensions

Pensions: defined contribution

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately for those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of these contributions.

Pensions: defined benefit

The charity operates a defined benefit pension scheme. The cost of providing pension and related benefits is charged to the statement of the financial activities over the employees' service lives on the basis of a constant percentage of earnings which is an estimate of the regular cost. variations from regular cost, arising from periodic actuarial valuations are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. any difference between the charge to the statement of financial activities and the contributories payable to the scheme is shown as an asset or liability in the balance sheet.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Critical accounting judgements and key sources of estimation uncertainty

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.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

3 Income from donations and legacies

	2023			2022		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Donations	-	-	-	39,649	-	39,649
Legacies	24,326	-	24,326	-	-	-
	<u>24,326</u>	<u>-</u>	<u>24,326</u>	<u>39,649</u>	<u>-</u>	<u>39,649</u>

4 Income from charitable activities

	2023			2022		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Invoiced sales						
Intel	23,050	-	23,050	81,757	-	81,757
HACT Health	303,489	-	303,489	430,068	-	430,068
HACT Insight	802,413	-	802,413	499,162	-	499,162
HACT Value	274,777	-	274,777	663,417	-	663,417
HACT Digital	135,181	-	135,181	224,360	-	224,360
HACT R&D	20,000	-	20,000	-	-	-
Total invoiced sales	<u>1,558,910</u>	<u>-</u>	<u>1,558,910</u>	<u>1,898,764</u>	<u>-</u>	<u>1,898,764</u>

Charitable projects

Abri Group	-	10,000	10,000	-	-	-
Barrow Cadbury Trust	-	16,000	16,000	-	16,000	16,000
Clarion Housing Group	-	40,000	40,000	-	-	-
Energy Redress - Fuel vouchers	-	560,417	560,417	-	852,243	852,243
Energy Saving Trust	-	625,346	625,346	-	-	-
Fusion 21 Ltd	-	60,000	60,000	-	30,000	30,000
Gloucester City Homes	-	5,000	5,000	-	-	-
Hexagon Housing Association	-	-	-	-	10,000	10,000
Hyde Group	-	10,000	10,000	-	-	-
Independent Age	-	20,000	20,000	-	-	-
Inprova Group	-	5,000	5,000	-	-	-
JP Morgan Chase Foundation	-	235,500	235,500	-	125,000	125,000
Lincolnshire Housing Partnership	-	-	-	10,000	-	10,000
London & Quadrant Housing	-	-	-	-	10,000	10,000
Metropolitan Support Trust	-	-	-	10,000	-	10,000
Orbit Group	30,000	10,000	40,000	-	10,000	10,000
Peabody Community Foundation	-	10,000	10,000	-	10,000	10,000
Platform Housing	-	5,000	5,000	-	-	-
Saint-Gobain Building Distribution	-	5,000	5,000	-	-	-
Scottish Federation of Housing Associations	-	-	-	-	490,693	490,693
South Yorkshire Housing Association	-	208,822	208,822	-	-	-
Sovereign Housing Association	-	55,000	55,000	-	20,000	20,000
Stonewater	-	10,000	10,000	-	-	-
The Guinness Partnership	-	10,000	10,000	-	10,000	10,000
Walsall Housing Group	-	-	-	-	10,000	10,000
Wandle Housing Association	-	5,000	5,000	-	-	-
Other grants	3,000	32,500	35,500	-	2,765	2,765
Total charitable projects	<u>33,000</u>	<u>1,938,585</u>	<u>1,971,585</u>	<u>20,000</u>	<u>1,596,701</u>	<u>1,616,701</u>

Total charitable activities

	<u>1,591,910</u>	<u>1,938,585</u>	<u>3,530,495</u>	<u>1,918,764</u>	<u>1,596,701</u>	<u>3,515,465</u>
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5 Other income

	2023			2022		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Other income	391	-	391	783	-	783
	<u>391</u>	<u>-</u>	<u>391</u>	<u>783</u>	<u>-</u>	<u>783</u>

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

6a Analysis of expenditure - current year

	Basis of allocation	Cost of raising funds £	Charitable activities		Support costs £	2023 Total £	2022 Total £
			Charitable projects £	Cost of Programme Sales £			
Staff costs	Direct/Turnover	-	352,551	484,360	315,102	1,152,013	989,940
Grants award	Direct	-	524,170	-	-	524,170	1,420,784
HACT Local Costs	Direct	-	-	14,606	-	14,606	33,790
HACT Health Costs	Direct	-	-	81,160	-	81,160	75,296
HACT Insight Costs	Direct	-	-	243,655	-	243,655	205,732
HACT Value Costs	Direct	-	-	49,831	-	49,831	297,413
HACT Digital Costs	Direct	-	-	66,543	-	66,543	102,700
Direct Project Costs	Direct	-	443,295	-	-	443,295	59,497
Fundraising	Direct	33,486	-	-	-	33,486	81,057
Support costs	Turnover	-	-	-	175,130	175,130	154,002
Amortisation	Direct	-	-	271,333	-	271,333	123,333
Governance costs	Turnover	-	-	-	16,467	16,467	11,949
		33,486	1,320,016	1,211,488	506,699	3,071,689	3,555,493
Support costs allocated		-	269,028	237,671	(506,699)	-	-
Total expenditure 2023		33,486	1,589,044	1,449,159	-	3,071,689	3,555,493
Total expenditure 2022		81,057	1,786,239	1,688,197	-	3,555,493	
						2023	2022
						£	£
Grants award							
Corporate grants awards paid in the year						524,170	1,420,784
						524,170	1,420,784

Details of the grants awards can be found in the Trustees' report.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

6b Analysis of expenditure - prior year

	Basis of allocation	Cost of raising funds £	Charitable activities		Support costs £	2022 Total £
			Charitable projects £	Cost of Programme Sales £		
Staff costs	Direct/Turnover	-	180,000	91,521	718,419	989,940
Grants & Contracts	Direct	-	1,420,784	-	-	1,420,784
Direct Project Costs	Direct	-	59,497	-	-	59,497
HACT Local Costs	Direct	-	-	33,790	-	33,790
HACT Health Costs	Direct	-	-	75,296	-	75,296
HACT Insight Costs	Direct	-	-	205,732	-	205,732
HACT Value Costs	Direct	-	-	297,413	-	297,413
HACT Digital Costs	Direct	-	-	102,700	-	102,700
Fundraising	Direct	81,057	-	-	-	81,057
Support costs	Turnover	-	-	-	154,002	154,002
Amortisation	Direct	-	-	123,333	-	123,333
Governance costs	Turnover	-	-	-	11,949	11,949
		81,057	1,660,281	929,785	884,370	3,555,493
Support costs allocated		-	125,958	758,412	(884,370)	-
Total expenditure		81,057	1,786,239	1,688,197	-	3,555,493

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

7 Net expenditure for the year

This is stated after charging :

	2023	2022
	£	£
Depreciation	276	243
Amortisation of IP	271,333	123,333
Auditor's remuneration (excluding VAT) :		
Audit fees	12,550	11,000
Prior year over provision	(100)	-

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	979,221	840,280
Social security costs	102,337	85,258
Employer's contribution to defined contribution pension schemes	49,314	46,394
Defined benefit pension schemes costs	18,000	18,008
Life insurance costs	3,141	-
	1,152,013	989,940

The following number of employees received employee benefits (excluding employer pension) during the year between:

	2023	2022
	No.	No.
£60,000 - £69,999	2	2
£70,000 - £79,999	-	1
£90,000 - £99,999	1	1

The total employee benefits including employer NIC and pension contributions of the key management personnel were £274,847 (2022: £280,885).

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2022: £nil) and no trustees were reimbursed expenses during the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2023	2022
	No.	No.
Charitable activities	21	15
Support and raising funds	2	2
Governance	1	1
	24	18

Appr Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

10 Intellectual property

	2023 £	2022 £
Cost at the start of the year	1,628,000	1,157,500
Additions during the year	-	99,750
Amortisation at the start of the year	-	(664,166)
Amortisation charge for the year	(271,333)	(123,333)
Revaluation during the year	(580,000)	1,158,249
Net book value at the end of the year	776,667	1,628,000
Historical Cost	99,750	147,250

The Intellectual Property consists of two data mapping tools used by Housing Authorities called Community Insight and Social Value respectively. Both tools were professionally valued as at 31st March 2022 by Valuation Consulting LLP, an independent valuation firm. HACT's share of Community Insight was valued at £696,000 and Social Value was valued at £932,000. The Historic cost of Intellectual Property is £147,250. HACT and OCSI have decided to retire the IP in the platform. Therefore, the value of Community Insight has been written down to nil in the Accounts.

The trustees consider a policy to revalue over a three years cycle as realistic. The intellectual property is expected to have a useful life of 6 years and will be amortised on a straight line basis over this period of time.

11 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At the start and at the end of the year	6,344	1,118	7,462
Additions in year	-	749	749
At the end of the year	6,344	1,867	8,211
Depreciation			
At the start of the year	6,343	976	7,319
Charge for the year	-	276	276
At the end of the year	6,343	1,252	7,595
Net book value			
At the end of the year	1	615	616
At the start of the year	1	142	143

All of the above assets are used for charitable purposes.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

12a Investments

Investments at cost:	2023	2022
100% share capital of HACT Housing Action Ltd	£	£
10,000 ordinary £1 shares	10,000	10,000

The charitable company owns the whole of the issued share capital of HACTHAL, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. The subsidiary is exempt from audit by virtue of Section 479a of Companies Act 2006. A summary of the results of the subsidiary is shown below:

	2023	2022
	£	£
Turnover	50,708	77,196
Cost of sales	(50,271)	(31,169)
Gross Profit	437	46,027
Administrative expenses	(101)	(107)
Profit for financial year	336	45,920

Retained earnings

Total retained earnings brought forward	-	-
Profit for the financial year	336	45,920
Distribution under Gift Aid to parent charity	(336)	(45,920)
Total retained earnings carried forward	-	-

The aggregate of the assets, liabilities and reserves was:

Assets	62,708	24,950
Liabilities	(52,708)	(14,950)
Capital & Reserves	10,000	10,000

Amounts owed to/from the parent undertaking are shown in note 18.

12b Parent Charity

The parent charity's gross income and the results for the year are as follows:

	2023	2022
	£	£
Gross income	3,504,504	3,478,701
(Deficit)/Surplus for the year	(162,899)	1,136,728

13 Debtors

	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£	£	£	£
Trade debtors	567,774	521,566	505,797	493,096
Other debtors	2,652	2,652	5,985	5,985
Prepayments	14,274	14,274	31,760	31,760
Accrued income	38,865	38,865	15,000	15,000
	623,565	577,357	558,542	545,841

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

14 Creditors: amounts falling due within one year	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Trade creditors	140,445	140,445	195,632	182,732
Taxation and social security	192,434	192,434	108,240	106,190
Other creditors	1,951	1,951	18,745	18,745
Accruals	76,780	24,073	12,181	12,181
Deferred income	42,300	42,300	65,755	65,755
Amount due to subsidiary	-	3,969	-	5,637
	453,910	405,172	400,553	391,240

Deferred income	2023 £	2022 £
Balance at the beginning of the year	65,755	361,523
Amount released to income in the year	(54,955)	(337,293)
Amount deferred in the year	31,500	41,525
Balance at the end of the year	42,300	65,755

Deferred income comprises of future subscriptions invoiced in 2022/23 but relating to future periods and investments in projects which will commence in 2023/24.

15 Analysis of net assets between funds - current year

	Restricted Reserves £	General unrestricted £	Revaluation Reserve £	Pension Reserve £	Total funds £
Tangible fixed assets	-	616	-	-	616
Intellectual property	-	99,750	676,917	-	776,667
Net current assets	897,369	288,218	-	-	1,185,587
Defined benefit pension (liability)	-	-	-	(547,191)	(547,191)
Net assets	897,369	388,584	676,917	(547,191)	1,415,679

Analysis of net assets between funds - prior year

	Restricted Reserves £	General unrestricted £	Revaluation Reserve £	Pension Reserve £	Total funds £
Tangible fixed assets	-	143	-	-	143
Intellectual property	-	147,250	1,480,750	-	1,628,000
Net current assets	290,116	227,283	-	-	517,399
Defined benefit pension (liability)	-	-	-	(567,300)	(567,300)
Net assets	290,116	374,676	1,480,750	(567,300)	1,578,242

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

16 Movements in funds

Current Year	As at the start of the year	Income & gains	Expenses & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Social Value Roadmap	70,000	20,000	263,349	173,349	-
Energy Redress - Fuel vouchers	125,592	1,060,537	611,428	-	574,701
Centre for Excellence	49,507	102,500	118,855	30,802	63,954
Rentflex	45,017	131,500	107,571	-	68,946
Age Friendly	-	343,822	252,572	-	91,250
Resilience	-	30,000	48,111	18,111	-
Retrofit Credits	-	125,226	160,676	35,450	-
GreenSkills	-	125,000	26,482	-	98,518
Total restricted funds	290,116	1,938,585	1,589,044	257,712	897,369
Unrestricted funds:					
Designated funds:					
R&D reserves	-	-	-	75,000	75,000
General funds	374,676	1,616,627	1,193,312	(484,407)	313,584
IP Revaluation reserve	1,480,750	-	851,333	47,500	676,917
Total unrestricted funds	1,855,426	1,616,627	2,044,645	(361,907)	1,065,501
Total funds excluding pension fund	2,145,542	3,555,212	3,633,689	(104,195)	1,962,870
Pension fund	(567,300)	-	84,086	104,195	(547,191)
Total funds including pension fund	1,578,242	3,555,212	3,717,775	-	1,415,679

Movements in funds

Prior Year	As at the start of the year	Income & gains	Expenses & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Social Value Roadmap	100,000	30,000	60,000	-	70,000
Energy Redress - Fuel vouchers	-	852,243	726,651	-	125,592
Scottish Energy	347,300	490,693	837,993	-	-
Centre for Excellence	32,354	82,765	65,612	-	49,507
Rentflex	-	141,000	95,983	-	45,017
Total restricted funds	479,654	1,596,701	1,786,239	-	290,116
Unrestricted funds:					
General funds	203,021	1,959,196	1,627,913	(159,628)	374,676
IP Revaluation reserve	415,332	1,158,249	123,333	30,502	1,480,750
Total unrestricted funds	618,353	3,117,445	1,751,246	(129,126)	1,855,426
Total funds excluding pension fund	1,098,007	4,714,146	3,537,485	(129,126)	2,145,542
Pension fund	(702,413)	23,995	18,008	129,126	(567,300)
Total funds including pension fund	395,594	4,738,141	3,555,493	-	1,578,242

Restricted funds purpose:

The income of the charity includes grants received for specific restricted projects. The trustees' report includes a description of the activities of each project.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

17 Legal status of the charity

The charity is a company limited by guarantee incorporated in the UK and has no share capital. The registered office is 7-14 Great Dover Street, London. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

18 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

At 31 March 2023 an amount of £3,969 (2022: £5,637) was due to HACTHAL, the subsidiary of the Charity.

19 Operating lease note

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Equipment 2023 £	2022 £
Less than one year	-	-
One to five years	-	-
	-	-

20 Defined benefit pension scheme liability

The Social Housing Pension Scheme (SHPS) is a defined benefit ("DB") multiemployer pension scheme. Within the year there have been changes made to systems and processes means there is now sufficient information available in respect of the SHPS which has enabled the assets and liabilities to identified for each participating employer. The accounts have been adjusted to recognise the full liability.

	2023 £	2022 £
Brought forward pension liability	567,300	702,413
Pension contributions paid during the year	(104,195)	(129,126)
Pension costs recognised during the year	18,000	18,008
(Gains)/ losses on defined benefit pension scheme	66,086	(23,995)
	547,191	567,300

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

20 Defined benefit pension scheme liability (continued)

	2023 £	2022 £
Social Housing Pension Scheme	547,000	567,000
The Growth Plan	<u>191</u>	<u>300</u>
	<u>547,191</u>	<u>567,300</u>

EMPLOYER: E3488 - HACT

PLAN: SOCIAL HOUSING PENSION SCHEME

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

	31 March 2023 (£000s)	31 March 2022 (£000s)
Fair value of plan assets	2,411	3,346
Present value of defined benefit obligation	2,958	3,913
Surplus (deficit) in plan	(547)	(567)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(547)	(567)

Reconciliation of opening and closing balances of the defined benefit obligation

	Period from 31 March 2022 to 31 March 2023 (£000s)
Defined benefit obligation at start of period	3,913
Current service cost	-
Expenses	4
Interest expense	108
Member contributions	-
Actuarial losses (gains) due to scheme experience	69
Actuarial losses (gains) due to changes in demographic assumptions	(6)
Actuarial losses (gains) due to changes in financial assumptions	(1,063)
Benefits paid and expenses	(67)
Defined benefit obligation at end of period	2,958

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

20 Defined benefit pension scheme liability (continued)

Reconciliation of opening and closing balances of the fair value of plan assets

	Period from 31 March 2022 to 31 March 2023 (£000s)
Fair value of plan assets at start of period	3,346
Interest income	94
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(1,068)
Employer contributions	106
Member contributions	-
Benefits paid and expenses	(67)
Fair value of plan assets at end of period	2,411

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was (£974,000).

Defined benefit costs recognised in statement of comprehensive income (SoCI)

	Period from 31 March 2022 to 31 March 2023 (£000s)
Current service cost	-
Expenses	4
Net interest expense	14
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	18

Defined benefit costs recognised in Other Comprehensive Income (OCI)

	Period from 31 March 2022 to 31 March 2023 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(1,068)
Experience gains and losses arising on the plan liabilities - gain (loss)	(69)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	6
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	1,063
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(68)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in Other Comprehensive Income - gain (loss)	(68)

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

20 Defined benefit pension scheme liability (continued)

Assets

	31 March 2023	31 March 2022
	(£000s)	(£000s)
Global Equity	45	643
Absolute Return	26	134
Distressed Opportunities	73	120
Credit Relative Value	91	111
Alternative Risk Premia	4	110
Fund of Hedge Funds	-	-
Emerging Markets Debt	13	97
Risk Sharing	178	110
Insurance-Linked Securities	61	78
Property	104	90
Infrastructure	275	239
Private Debt	107	86
Opportunistic Illiquid Credit	103	112
High Yield	8	29
Opportunistic Credit	-	12
Cash	17	11
Corporate Bond Fund	-	223
Liquid Credit	-	-
Long Lease Property	73	86
Secured Income	111	125
Liability Driven Investment	1,111	934
Currency Hedging	5	(13)
Net Current Assets	6	9
Total assets	2,411	3,346

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key Assumptions

	31 March 2023	31 March 2022
	% per annum	% per annum
Discount Rate	4.89%	2.79%
Inflation (RPI)	3.20%	3.62%
Inflation (CPI)	2.72%	3.21%
Salary Growth	3.72%	4.21%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

20 Defined benefit pension scheme liability (continued)

SCHEME: The Pensions Trust – The Growth Plan

Present values of provision

	31 March 2023 (£s)	31 March 2022 (£s)	31 March 2021 (£s)
Present value of provision	191	300	1,413

Reconciliation of opening and closing provisions

	Period Ending 31 March 2023 (£s)	Period Ending 31 March 2022 (£s)
Provision at start of period	300	1,413
Unwinding of the discount factor (interest expense)	5	8
Deficit contribution paid	(109)	(358)
Remeasurements - impact of any change in assumptions	(5)	(7)
Remeasurements - amendments to the contribution schedule	-	(756)
Provision at end of period	191	300

Income and expenditure impact

	Period Ending 31 March 2023 (£s)	Period Ending 31 March 2022 (£s)
Interest expense	5	8
Remeasurements – impact of any change in assumptions	(5)	(7)
Remeasurements – amendments to the contribution schedule	-	(756)
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

ASSUMPTIONS

	31 March 2023 % per annum	31 March 2022 % per annum	31 March 2021 % per annum
Rate of discount	5.52	2.35	0.66

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2023

20 Defined benefit pension scheme liability (continued)

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

Deficit contributions schedule

Year ending	31 March 2023 (£s)	31 March 2022 (£s)	31 March 2021 (£s)
Year 1	109	109	358
Year 2	91	109	368
Year 3	-	91	379
Year 4	-	-	326
Year 5	-	-	-
Year 6	-	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

England & Wales - Charity number 1096829

Accounts

HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

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**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

LEGAL AND ADMINISTRATIVE DETAILS

The Housing Associations' Charitable Trust Limited (HACT) is registered as a charity; charity registration number: 1096829; company registration no: 4560091.

The charity is governed by its Memorandum and Articles of Association.

Board members who served during the financial year and up to the date of this report, approved these accounts on 4th October 2022:

Gavin Cansfield (Chair)
Babu Bhattacharjee resigned
18/11/2021 (Treasurer)
Nick Atkin
Jules Bickers
Mary Gibbons
Rachel Honey-Jones
Samantha Hyde – resigned 04/10/2022
Davida Johnson – resigned 18/11/2021
Charlotte Norman – resigned 24/02/2022
Anastasia Odugbesan – resigned 23/09/2021
Shaun Holdcroft
Andrew Cowan – appointed 18/11/2021
Kalwant Grewal (Treasurer) appointed 18/11/2021
Michelle Levi – appointed 18/11/2021

Other legal and administrative details

Chief Executive & Company Secretary:	Andrew van Doorn
Key Management personnel:	Andrew van Doorn Jacqui Bateson Matthew Grenier
Registered office:	Canopi 7 - 14 Great Dover Street, London SE1 4YR
Auditors:	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL
Bankers:	Unity Trust Bank plc 9 Brindley Place Birmingham B1 2HB
Solicitors:	Bates, Wells & Braithwaite 2 – 6 Cannon Street London EC4M 6YH

CHAIR'S INTRODUCTION

I am pleased to present HACT's Annual Report for 2021/22.

The past year has been another year of growth and impact for HACT. The ongoing uncertainty of the covid pandemic has meant that social landlords across the UK have continued to go above and beyond in their support for their residents and local communities. I am proud that HACT has been there, working alongside our sector, to support and enhance its social purpose. I am also proud that support for our role and mission has grown, and we have created new collaborations and tools to focus and boost our sectors impact.

HACT has supported the sector to develop and grow for over sixty years. We are a dynamic and leading agency focused on unleashing the transformative power of the social housing sector. We have always believed in and focused our energy and resources on driving forward its social purpose.

We support people, communities and organisations to explore new ideas and develop the solutions for tomorrow. As we move forward, our passion and optimism are undiminished, and our commitment to social housing and social justice is unwavering. We believe that residents and communities deserve nothing less than excellence, and we support sector-wide transformation to achieve it.

Collaboration sits at the heart of what we do. Over the past few years, we have developed leading solutions on areas such as social value, community investment, data standards and health. We have done this all through major partnerships with hundreds of different organisations. It is through this shared endeavour, shared creativity, and shared investment that we are able to make the impact that we do.

As you will see in this annual report, the breadth and depth of our work over the last year has been simply astounding. We have used our role, networks, and sector-wide collaborations to deliver greater impact. And we have also taken the opportunity to invest in the resilience and development of HACT, continuing to bring in new skills that will support our ongoing growth and impact.

The pandemic and the terrible events unfolding in the Ukraine has had a huge impact in our communities. We now face a challenging economic environment of increasing inflation and spiralling costs. Whilst this affects everyone, the impact on the poorest in society and those who live in social housing is disproportionately felt. Over the course of the year, HACT has distributed £1.4m of fuel vouchers raised from grant funding and donations from the housing sector. The Energy Hardship Fund has been a huge success for HACT and provided much needed support to social housing tenants struggling with their escalating fuel costs.

But whilst support with immediate hardship brings momentary relief, we are equally focused on what medium to longer-term solutions are needed. Creating warmer homes, investing in the resilience of people and communities, focusing on the partnerships needed to improve health and wellbeing, and continuing our drive to embrace a digital future are critical.

We know there are storming seas ahead for our communities, our sector and for HACT. Being a space for innovation, creativity and collaboration in our sector is a key part of what we do. We have outlined our next five-year strategy and are building a more sustainable business through renewable subscriptions to our sector leading products and services.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

Growing the business and impact of HACT takes commitment and dedication from all involved. On behalf of the Board, I want to acknowledge and thank the staff team for their unwavering commitment and passion. I also want to thank all the partners and supporters of HACT who continue to see the value of collaboration and transformation.

HACT is always an organisation that is looking to the future. Our next five-year strategy has been built by identifying those issues where we can have the most impact for social landlords, their tenants, and communities. We continue to speak to the sector, partners & stakeholders to ensure that we deliver the products, services and support they need. We know that our response to climate change and delivering net zero carbon will be a key feature of our future work. But we also know that we can only achieve this with greater collaboration and innovation that keeps social purpose and social justice at the heart of our response.

Finally, I would like to thank again the team at HACT, the board and the staff, for their fantastic work over the last year. Their expertise, enthusiasm and incredible hard work has ensured our continued success and ability to adapt and thrive. As we head towards a new corporate plan, together with the Board, I am excited for our ambitions for the future.

**Gavin Cansfield
HACT Chair
4th October 2022**

HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees (Board), who are also directors under company law, present their report and financial statements for the year ended 31st March 2022.

The Board confirm that the financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

OBJECTIVES AND ACTIVITIES

The Memorandum and Articles of Association give the board members discretion to do anything providing it is "charitable". The activities of HACT are not necessarily restricted to one particular field of work and can operate world-wide if desired.

We strongly believe that the non-profit social housing sector, which provides one in five homes across England, provides a unique and valuable route through which support can be provided to those who need it most, often people and families who find themselves homeless, those with additional vulnerabilities, older people, those in need of care and support, and those on low incomes. Most fundamentally through the provision of a home – a universal need – but also through investing in support for individuals and communities across the country.

We seek to fulfil our charitable mission by providing a focus for ideas and innovation, creating products and services with the sole aim of helping social housing providers deliver more effectively to the individuals and communities they support. We are proud of having built a business capable of delivering that mission through everything that we do.

PUBLIC BENEFIT

We strongly believe that UK social housing providers need to embrace new ideas and innovation if they are to continue to deliver the great homes and communities people need. Successful non-profit housing businesses, with a strong social purpose, need to respond creatively to the challenges and opportunities ahead.

HACT helps lead this change by actively championing new ideas and pioneering innovation in housing. We are focused on supporting social landlords to deliver on their social purpose - providing much needed affordable homes, with care and support to their residents, to live successful lives. We are also championing and promoting of the work that social landlords do in their communities, as community anchor institutions across the UK.

We are a small organisation, but with the potential to influence and deliver on a national scale. We focus on three broad themes:

Leadership – we aspire to transform the quality of leaders at all levels within housing – at board and executive level. We support both leadership from individuals as well as leadership of organisations. Social landlords are often the largest and most robust non-profit organisations in some of the most deprived communities in the UK. How they invest and deliver impact in these communities is a key part of HACT's work.

Business transformation – We help the sector to reimagine the very core of housing businesses – IT, technology, procurement and the relationship between housing providers and residents are all hugely neglected areas for many landlords and yet have huge transformational potential.

HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

Impact and value – we lead the sector around housing and social value, helping social landlords to measure, demonstrate and drive social value in everything that they do. We put resources into evidence and research, data analytics and impact measurement to provide the bedrock of evidence to drive new ideas and support the new pioneering approaches we advocate.

The Trustees have paid due regard to the guidance issues by the Charity Commission in deciding what activities the charity should undertake. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trustees consider the current activities deliver public benefit. Our vision is of a vibrant and high-quality housing sector that provides great affordable homes and builds successful communities where people can thrive.

Our mission is to support the sector to enable, enhance and unlock the full potential of its social purpose and respond creatively to the challenges faced by people and their communities. We create collaborations in and outside of the sector that embrace innovation. By working creatively together, we drive impact for residents through their landlords and the partnerships they create.

We provide a focus for ideas, insight and leadership: creating projects, products and services that supports transformation and challenges ourselves in our drive for excellence.

HACT is a charity and social enterprise who partners with organisations across the housing sector to drive value for residents and communities through insight-led products and services which encourage innovation and foster collaboration. We help them measure their social value, better understand the communities they serve and connect with like-minded organisations. We are passionate and optimistic leaders in housing who fundamentally believe in the transformative potential of the social housing sector for people and communities.

The impact of the sector doesn't end at the door of the homes they provide, and nor do we. There are many people and organisations who have a stake in creating successful places where people can thrive. These include local authorities, the NHS, the third sector, local businesses, investors, developers, tech providers, and those who provide services to housing providers.

Our collaborations drive value for organisations, residents, and communities. And new partnerships are needed to address the challenges we face today and tomorrow. A connected and collaborative sector that embraces new ideas and opportunities, is at the core of our vision for housing.

The Trustees have paid due regard to the guidance issues by the Charity Commission in deciding what activities the charity should undertake. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trustees consider the current activities deliver public benefit. Details of the objects which form the basis of this are given in this report.

ACHIEVEMENTS AND PERFORMANCE

HACT's charitable activities and our impact manifests in the variety of ways we work to support the sector to deliver on its social purpose. We develop tools and products that provide insights to aid decision-making; we provide value-adding consultancy that helps organisations to build their own capacity; we act as a broker between sectors, offering insights, advice and guidance; we provoke and challenge through thought leadership; we enable sector-wide collaboration; we explore how new technology can be deployed; we deliver masterclasses and training; we curate quality events; and we consistently explore how to generate and deliver new ideas.

HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

All this work is centred on the fundamental aim to help housing providers drive change within their own businesses, enabling housing providers to sustain resilient and successful businesses by generating actionable evidence to inform decision-making, and to unlock the ways they can achieve their social purpose.

We continue to structure our work around five areas – Social Value, Community Investment, Health, our Insight tools, and Digital. We also seek to innovate in new areas, both planned and opportunistically, as new issues and concerns arise, and include a research and development pipeline across all these areas of work and this year has seen an increase in the visibility of sustainability and environment.

We mainly work with large and medium sized housing associations and are increasingly expanding our work with those sectors and organisations that work with housing, where we play a significant brokerage role. This includes work with the social housing supply chain, NHS service providers, local authorities, sports and leisure and the broader community and voluntary and social enterprise sectors. Social landlords are at their best when they are collaborating and working together in the communities where they work.

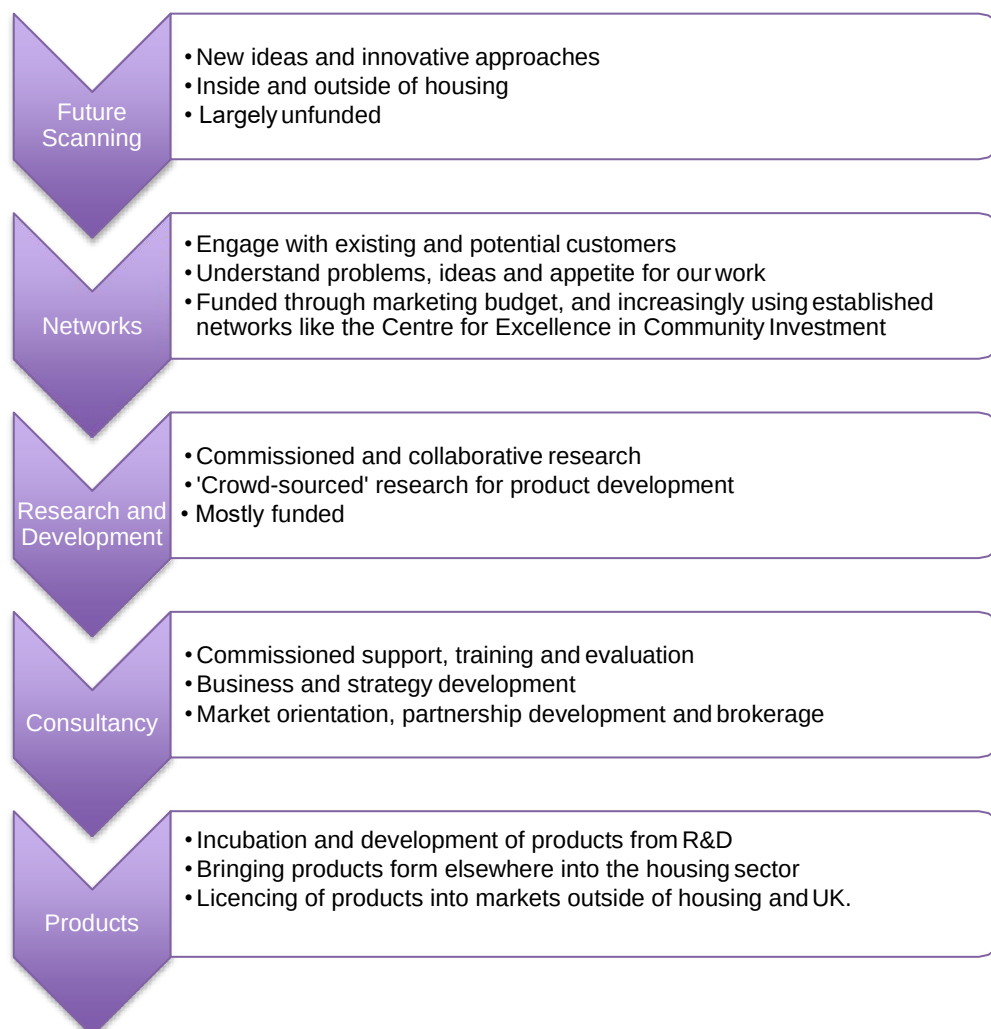
Likewise, particularly with our work in HACT Digital, we provide a space for housing providers and those working on technology solutions and civic innovation to work together. Our networks and our breadth and depth of expertise enable us to support other sectors to understand the businesses and priorities of social housing and to find ways of working creatively to generate impactful solutions.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2022

Our approach can be conceptualised in several iterative stages:



HACT Value

HACT Value is our suite of social value products, services, and research. It seeks to embed social value within UK housing by providing robust tools for capturing, measuring, and valuing the impact of the outcomes that housing associations and their partners deliver for their tenants and communities. This includes the UK Social Value Bank and the Social Value Insight tool.

The UK Social Value Bank remains the largest bank of methodologically consistent values that exists globally. The repository of values within the UK Social Value Bank are generated using the Wellbeing Valuation model developed by HACT and Simetrica-Jacobs. The values are free for housing associations to use, and are licensed to others, through our trading subsidiary HACTHAL. Having pioneered the approach Wellbeing Valuation is expanding in importance and recognition. It is recognised in the new supplementary guidance on valuing wellbeing to the governments Green Book.

Social Value Insight is our new online tool developed on the HACT platform, which replaces Value Insight. The tool allows housing associations to easily define, forecast, capture and record the social value they create across their business. We provide a range of consultancy, training, certification, networks and guidance around social value.

HOUSING ASSOCIATIONS' CHARITABLE TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

The 2-year project to deliver the UK Social Value Roadmap started at the end of the prior year. The comprehensive Roadmap, focussed on the continued development and expansion of the UK Social Value Bank, and maturing its use across the sector. We have now expanded the UK Social Value Bank to include new wellbeing values (primary wellbeing), associated exchequer values (secondary benefits) and new environmental outcomes. With the increasing focus on ESG reporting (Environment, Social and Governance) we are developing a suite of values to support organisations with decision making and reporting at all levels.

Following a year's development, the new UK Social Value Bank was launched in June 2022. We are now developing the use cases needed to enable appropriate, easy assessment and reporting. In addition, we have worked with Mindset AI to develop our online platform which includes the Social Value Insight tool, a mechanism which enables organisations to create, track and report on the impact of their outcomes from the outset of a project to its conclusion. This supports organisations to make good decisions, supported by insight and forecast for future potential activity.

The profile of social value impact measurement continues to be highly relevant and HACT is a leader in this space. We have seen interest in our approach grow beyond social housing into the wider housing supply chain and beyond. Our social value conference continues to be popular with attendance at c. 500 during the year.

HACT Local

HACT Local is our work that supports housing associations in their community investment and neighbourhoods work. Community investment is a key expression of the sector's social purpose with housing providers continuing to demonstrate their commitment to the neighbourhoods and communities where they work.

We set-up and launched Centre for Excellence in Community Investment in 2018 to champion and supports community investment in the UK. It now involves over 240 organisations. Throughout the last two years, the Centre has played a huge role in supporting the response of social landlords to the pandemic. Our specialist and geographical networks help social landlords connect, share best practice and support collaborative working.

Post pandemic we continue to see high levels of engagement within the community investment space. During the year we secured financial support from across the Centre to take it forward for another three years.

Addressing Fuel Poverty

Fuel poverty has been a significant feature during the pandemic and is now being fuelled by escalating energy costs and the cost-of-living crisis. To ensure that people living in social housing can access the right support, the Centre formed a collaboration with Charis Grants and housing organisations to channel fuel vouchers to those in greatest need. Over the course of the year, we have distributed £1.4m of funding, distributed through our UK based network of 131 housing providers. We received 2 allocations of funding for £852,243 from the Energy Savings Trust. In addition we secured one allocation worth 490,693 from the Scottish Government, via the Scottish Federation of Housing Associations. Such was the need for fuel vouchers, we raised an additional £126,000 from housing associations and other organisations in the housing supply chain. We continue to seek opportunities to continue support for residents.

Housing providers really appreciate our role in securing and administering hardship support. It enabled resources to get into the direct hands of their tenants quickly and efficiently. It demonstrates the impact that HACT can have with the sector when working collaboratively through our networks.

HACT Health

The connection between housing and health has never been so important. HACT Health supports housing associations and NHS providers to develop new relationships that lead to major improvements in healthcare for their residents.

Our work with NHS Trusts continues to grow and evolve. We support both shorter-term engagements to broker new relationships between the NHS and housing, and longer-term transformation to embed new expertise and approaches. We commonly work with NHS trusts, Commissioners, and public health teams on strategy development, market engagement and brokerage, care pathway re-design, evaluation of services, and strategic partnership development.

We continued to second to DLUHC and Public Health England (now the Office for Health Disparities) the Rough Sleeping and Health Advisor. She delivered considerable impact in supporting the Everyone In initiative and vaccination take-up.

With increasing demand on NHS services, we have worked throughout the year to develop and support new collaborations and unlock the opportunities of more integrated care. We were commissioned to write the first Integrated Care System (ICS) Mental Health and Housing Strategy in the country for Sussex Health and Care Partnership. We supported the development of a new ICS-wide collaboration for Mersey and Cheshire, so support social housing tenants into NHS jobs. We have also supported trusts in London and in Dorset to take a more strategic approach to housing.

HACT Health also undertakes research to improve the evidence base for the health and housing work delivered by social landlords.

HACT Insight

HACT Insight focuses on providing affordable and easy access to insight products to the desktops of staff in housing. Working in partnership with the Oxford Consultants in Social Inclusion (OCSI) we have developed Community insight and Local Insight. These tools provide valuable insight from 1,200 data sets which can be tailored by individual organisations and even users and enriched with an organisations own data. Working with OCSI, the data is continuously updated, and we are looking forward to the release of all the latest census data over the coming year or two. These are a significant, renewable income line for HACT and form a key part of our ongoing plans.

During the year, we continue to identify more data to provide greater intelligence at a neighbourhood level. Our partner OCSI has been able to bring new data sets into Community Insight that mapped households vulnerable to cost-of-living increases and food vulnerability as well as those in fuel poverty. We followed this through with training and support for Community Insight users so that they could harness this new data to direct their resident and community-based responses.

During the course of the year, we have worked to develop a new online tool, Social Value Insight, built on the new UK Social Value Bank. It provides an excellent customer experience, enabling organisations to measure the social value of their activities utilising the UK Social Value Bank.

Our research activity is also a key part of HACT Insight. As well as undertaking evaluations for housing associations of their work and impact, we aim is to look at bigger issues of wider relevance to the sector. During the year we worked with Public Health Bedfordshire and Grand Union Housing on a collaborative piece of research to create a blueprint for a new way of working.

HOUSING ASSOCIATIONS' CHARITABLE TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

We explored the opportunities for the health and housing sectors to work together for the benefit of residents, and consider what has been learned from the partnership model developed by Public Health

Bedfordshire and local housing associations to address health inequalities and improve life outcomes for residents and communities.

We approach research from a collaborative perspective, bringing together a range of housing providers to invest in major research programmes. We are also introducing new methodologies to the sector.

HACT Digital

We have been working since 2016 to provide an answer to the perennial complaint of 'bad' data in the sector. Working with OSCRE, we have collaborated with over a hundred housing associations to develop the UK Housing Data Standard. The standard now covers seven domains covering everything from core customer data; voids allocation; income and service charge collection and care and support, to all things related to the building; planned and reactive repairs and development handover.

During the year, we completed the Development Handover Standard and started work on the Complaints and Resident Feedback standard. Version 4.0: Complaints and Resident Feedback, is now completed and due to be released imminently. During the year, we initiated the projects to create the environment and ESG standard and regulatory returns standard to the UK Housing Data Standard. This work carried on into the current financial year and both projects have now been launched.

We continue to engage at the highest level with the UK Housing Data Standards in recognition of its significance as part of the Buildings Safety legislation, recognised by Dame Judith Hackitt in a letter to us:

““We see real value and importance in the UK Housing Data Standards (UKHDS) you are developing,” she wrote. “They will enable organisations to keep information about the way homes are constructed and how they meet the compliance regime in an accessible way that can be shared with residents and contractors alike.”

“In my interim report,” Dame Judith Hackitt continued, “I stated that there needs to be a golden thread for complex buildings so that the original design intent, and any subsequent changes or refurbishment, are recorded and properly reviewed. We therefore welcomed the fact that the Housing Associations' Charitable Trust (HACT) has been proactively leading the way on developing the golden thread.”

With this standard, housing associations will be able to fully embrace a digital future, improving how they work with their residents and how they innovate and transform their services.

Events, masterclasses and action learning

We continue to run a range of events, seminars and learning programmes. With all activity now online, we have been able to reach a much wider audience and engage more people in more frequent learning activity. Other than our longer-term learning development programmes and our social value masterclasses, all other events and webinars were free to attendees.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

We run the annual social value conference in partnership with the Northern Housing Consortium, attracting 500 delegates. Our social value masterclass programme has continued to be in high demand.

Our approach to events and learning has translated to an increase in demand for in-house training and consultancy that is increasingly workshop-based, providing the same feel for attendees as our other events, but with more focus on specific challenges.

FINANCIAL REVIEW

Income generated during 2021-22 was higher than 2020-21. Income received in 2021-22 increased by 39 per cent.

Income has continued a steady growth in line with forecasts across the year. Due to the timing of the Scottish fuel fund contract from 2020 / 2021 where income had been received the prior year but spent during this year, expenditure against this restricted fund, is £1.78m.

Restricted funds are a reserve of money that can only be used for specific purposes. Restricted funds provide reassurance to donors/grantees that their contributions are used in a manner they have chosen. The impact of the timing of these funds to HACT means that whilst in the 2020/2021 financial year looked extremely positive from a surplus perspective, this has been counterbalanced in the 2021/2022 financial year when the funds have been spent, and the matching income already recognised in the prior year. It should be noted that the Scottish Fuel funds had all been distributed by the end of July 2021.

Income generated and raised during 2021-22 was £3,555,897 with £1,959,196 (55%) available for unrestricted purposes. Total expenditure was £3,555,493 with expenditure for unrestricted purposes of £1,769,254 (50%).

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 TOTAL	2021 TOTAL
Income from:		
Earned income	1,959,196	1,256,490
Unearned income	1,596,701	1,302,280
Total Income	3,555,897	2,558,770
 Expenditure		
Raising funds	81,057	32,803
Charitable Activities	3,474,436	2,168,351
 Adjustment for:		
IP tool amortisation*	-123,333	-123,333
Pension costs**	111,118	41,484
 Total Expenditure	3,543,278	2,119,305
 Net result on normal activity	12,619	439,465

** The pension cost figure is the net of the employer contribution of £129,126 actually paid for the year and the defined benefit costs of £18,008 recognised as expenditure in SOFA both of which are set out in note 20 to the accounts.

* The IP Tool amortisation of £123,333 is as set out in note 10 to the accounts.

** The pension cost figure is the net of the employer contribution of £129,126 actually paid for the year and the defined benefit costs of £18,008 recognised as expenditure in SOFA both of which are set out in note 20 to the accounts.

HACT ended the year with a deficit of £37,575 on normal activities (as outlined in the table above). Together with the pension costs, IP amortisation and actuarial gain on the pension of £23,995 there is a total gain of £1,132,454, as shown on the SOFA.

Investment Policy and Performance

In accordance with HACT's governing document the Trustees have the power to invest in such stocks, shares, investments and property in the UK, as it deems appropriate. HACT had no investments during the 2021-22 financial year.

Pension

HACT is a member of the Social Housing Pension Scheme operated by the Pensions Trust. From April 2013 staff have access to the defined contribution scheme. Before this date staff were members of the defined benefits scheme.

HOUSING ASSOCIATIONS' CHARITABLE TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

As noted, the full assets and liabilities of the SHPS scheme are now calculated for each employer. The pension liability is now £567,300 and this appears on our balance sheet. This is lower than our liability last year (£702,413) due to a combination of the scheme revaluation exercise, payments into the scheme (including some past service deficit contributions, due to a suspension of payments for 6-months during the pandemic), payments out of the scheme (benefit payments and expenses) and reduced investment return over the period. The performance of investment assets is subject to market conditions and can fall as well as rise. However, it is important to note that our operational position remains viable.

The pension scheme is not expected to crystallise at a single point in time and is affordable as long as annual contributions can be met. The Trustees are aware of the risks of the pension scheme and have taken steps to ensure that a member of staff at all times remains a member.

We were prepared for the fact that fully valuing the pension liability would have a significant impact on our Balance Sheet. The Trustees will continue to work closely with our auditors on the going concern consideration.

During the pandemic, the Trustees considered the potential challenges for HACT and in order to plan for challenges, we deferred pension payments for 6-months to ensure cash flow in the business was not compromised. The repayments re-started in April 2021 and the deferred amount will be fully repaid by the end of the financial year ending 31 March 2023.

The Triennial valuation of the SHPS scheme took place 30 September 2020. HACT has received notification that this valuation shows a scheme deficit of £31.6m, an improvement over the previous valuation in 2017 (£131.5m deficit).

HACTHAL

HACT has a fully owned trading subsidiary HACTHAL and the accounts include the results of HACTHAL, which includes licences for the UK Social Value Bank and sponsorship. The influence on the 2021-22 financial year has decreased and this is due to a re-prioritising of our licensing activity in the year in favour of ensuring the social value roadmap is successful and drives significant change which will act as a springboard for increased licence activity through HACTHAL.

INTELLECTUAL PROPERTY

The Intellectual Property consists of two online data mapping tools used by Housing Associations called Community Insight and Social Value Insight, which replaced Value Insight.

Community Insight is used mainly by housing association neighbourhood focused staff but increasingly going into other parts of housing organisations. Its basic functionality – placing of data on maps – is not unique. What defines the product is the way in which that functionality is being built around the specific requirements of and working practices of housing association staff.

Social Value Insight is an online product and a social value calculation, forecasting and mapping tool, used mainly by housing associations and others from related industries. It's basic functionality – measuring and forecasting social value – is not unique. However, some aspects are unique – the mapping of social value and social value proxies that are embedded within the tool.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
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It is the policy of HACT that Intellectual Property is only recognised as Intangible asset if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably. The Intellectual Property was revalued as of 31 March 2022, with HACT's share of Community Insight valued at £696,000 and Social Value Insight valued at £932,000. The improved valuation reflects the consistently good retention activity and the increase in new sales activity. Every three years we re-value the Intellectual Property, however, if we recognise a material impact in sales activity for any reason the Trustees may decide to do this earlier. However, at this stage, there is no indication that this is the case.

RESERVES POLICY

The Board are fully aware of the need to ensure HACT's ongoing and future viability. In order to provide consistently high quality and reliable services and innovation programmes, HACT must have at all times sufficient resources to finance planned activities, deal effectively with unexpected setbacks, and take advantage of opportunities for expanding and improving its work.

The enterprise and innovation nature of HACT's business requires sufficient funds to manage cash flow risk, as well as adequate resources to invest in ongoing development and innovation. Any business heavily invested in research and development will require adequate reserves to invest upfront in new products and services.

HACT's policy is reviewed annually by the Board at the first meeting after the financial year end. HACT's policy covers the following areas:

1. The types of funds or reserves which HACT will retain and the reasons why;
2. How to assess and determine the required level of retained funds or reserves; and
3. What steps will be taken to create and maintain the required funds.

Assessment of Reserves Needs

The general reserve target is to hold close costs calculated at £215k. There is currently no maximum reserves target.

The reserves policy is informed by a realistic assessment of HACT's needs on a regular and consistent basis in the context of the business plan and in light of:

- Forecasts for levels of future income, including the reliability of each source of income and the possibility of new sources;
- Forecasts for future expenditure on the basis of the level of planned activities;
- An analysis of future developments, contingencies or risks; and
- An assessment of the likelihood of those future events, and their impact on HACT's operation.

Likewise, given the impact of the full pension liability, which is brought onto the balance sheet, we now consider our reserves policy explicitly in relation to the pension liability as well. HACT has a pension liability of £567k in relation to the defined benefit scheme. Excluding the pension liability, reserves stand at £1.9k, with the pension liability, we show reserves of £1.3m.

HOUSING ASSOCIATIONS' CHARITABLE TRUST
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Of our current net assets of £1.5m, £290k is in our restricted fund with £324k sitting in the general reserve. These reserves are higher than our calculated closure costs of £215k, Board recognises that the total pension liability does not translate to a cash payment and that we will be able to cover payments on an ongoing basis. As such, unrestricted general funds will not be designated to cover this liability.

With a robust and realistic annual budgeting process in place, and the Executive and Leadership teams scrutinising budget and cashflow on a monthly and ongoing basis, Trustees are confident that HACT will continue to build on our reserves in the medium to long term. HACT has procedures in place to mitigate the risk of the pension liability crystallising. With the understanding that the liability will only crystallise at the point at which no member of staff is enrolled in the current scheme, Board and the Executive have agreed therefore that HACT will, if it becomes necessary, absorb the cost of a junior member of staff to join the existing scheme.

Fund	Purpose	Basis of calculation	Reserves held on 31.3.22
1) Restricted funds	As specified by third parties	Amounts received / outstanding	£ 290,116
2) Unrestricted funds			
a) General Reserves	Covers the need for day-to-day working capital; unavoidable budget shortfalls; disruption of business; loss of income, etc.	Past experience, risk analysis / scenario planning - aim to hold a minimum level equal to 3 months' expenditure less designated reserves.	£ 374,676
b) Revaluation Reserve	Future amortization of Intellectual Property	Value of the Intellectual Property, revalued March 2022.	£ 1,480,750
3) Designated funds:			
R&D Reserve	Provide investment into new products at risk	Past experience, allocation against plans for new development.	£0
Total funds, excluding pension deficit			£2,145,542
4) Pension reserve			
b) Pension Reserve liability	The NPV of the SHPS Pension deficit payment liability	Provided by SHPS Actuary	(£ 567,300)
Total, including pension liability			£ 1,578,242

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
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Fundraising

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. HACT does not raise funds directly from the general public and does not actively solicit donations. We do not work directly with commercial sponsors but where commercial sponsorship is arranged for an event a clear contract is in place between the trading company and the commercial sponsor. The Trustees are not aware of any complaints made in respect of fundraising during the period.

Safeguarding

HACT believes that everyone we come into contact with, regardless of age, gender identity, disability, sexual orientation or ethnic origin has the right to be protected from all forms of harm, abuse, neglect and exploitation. HACT will not tolerate abuse and exploitation by staff or associated personnel.

HACT commits to addressing safeguarding throughout its work, through the three pillars of prevention, reporting and response.

In November 2018, the Trustees agreed a new Safeguarding policy which has been reviewed and agreed in July 2022. The policy is designed to protect people, particularly children and at-risk adults from any harm that may be caused due to their coming into contact with HACT. This includes harm arising from:

- The conduct of staff or personnel associated with HACT.
- The design and implementation of HACT's programmes, research and activities.

The policy lays out the commitments made by HACT and informs staff and associated personnel of their responsibilities in relation to safeguarding.

In support of our approach to safeguarding, we also have policies and procedures on bullying and harassment, and whistleblowing.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board reviewed the risk register in February 2022 and reviewed it throughout the year as the impact of the pandemic continued. Risks are reviewed against our corporate strategy and assesses and monitors the level of risk arising in the following areas, which the Executive Team recognises as interdependent:

1. **Governance and management risks:** HACT has a strong Board, supported by a small Executive Team with extensive experience in organisational development and leadership. It meets regularly to review business strategy, and receives regular reports on business performance, both in relation to its activities and its financial management. HACT undertook a governance review against the new Code of Governance in the 2018-19 financial year and as a result the membership of the Board has diversified to ensure it has both depth and breadth of experience, as complementary to the executive and leadership teams. HACT has also strengthened the expertise of its senior management and leadership team. The current corporate plan came to an end in March 2022 and the executive team and The Board has developed and approved the next 5-year corporate plan period which reasserts its mission and role in the social housing sector. This is supported with a rigorous business plan for delivery.

2. **Operational risks:** The Board monitors closely HACT's capacity and credibility, including ensuring the resources and expertise are in place to deliver on our mission effectively. Key operational risks include the tension between immediate product sales and growth of key products and a longer-term development pipeline. As an organisation focused on innovation, protecting time and resources to develop new ideas and projects is important to ensure this is not completely subordinated by immediate cash flow pressures. These interdependent risks ultimately impact on sustainability, the viability of our partnerships and management of these relationships, over-stretch of existing capacity, staff retention and customer relationship management. We continue to assess our resource requirements and, where necessary, add new roles to the staff team. Partnership working, with existing and new partners, helps address capacity needs and ensures flexibility. We have reviewed all partnership agreements and are entering into new agreements where necessary.
3. **Financial risks:** With a fully embedded social enterprise model, HACT's primary financial risks are now two-fold: securing sufficient income and sales to deliver an operating surplus that delivers the mission and business plan; and delivering a strong credit control regime that ensures sufficient cash flow. The Finance and Performance Committee, a formal Board subcommittee, continues to operate effectively, supporting the Treasurer and Executive in managing the organisational finances, reviewing cash flow forecasts and managing deposits and investments. Income and sales targets have been set for key areas of work and are reviewed quarterly against the business plan. The Credit Control system has dramatically reduced trade debtors; we continue to review the Credit Control system to improve cashflow.
4. **External risks:** Ensuring HACT's continued relevance to and support from the social housing sector, including productive relationships with other sector bodies, is critical to the delivery of HACT's mission, and the sustainability of its income streams. HACT continues to invest heavily in building the necessary relationships with housing associations as the supporters, funders and customers of HACT. HACT also undertakes periodic market reviews, identifying major changes and new market entrants and products. The perception and reputation of HACT within the sector is another key area of focus. With significant attention on securing income and delivering projects, we also recognise the importance of explicitly communicating our impact and relevance to the sector through various media. HACT continues to invest in communications and marketing support as well as attendance at key events.
5. **Compliance with law and regulation:** The Board reviews HACT's Standing Orders periodically to ensure that the reporting framework and delegation of powers meet compliance requirements. The Board completed a fundamental review to ensure that HACT is operating within the new Code of Governance. Financial Policies and Procedures are also reviewed annually, and further improvements made to operational reporting arrangements in the last year.

COVID-19 PANDEMIC

The Covid-19 pandemic has now impacted over three financial years, starting in the 2019/2020 year. Initially the Board reviewed the financial position and impact of activity as it unfolded. A number of actions were taken in order to secure our future resilience such as taking advantage of the furlough scheme for a short period of time, to create breathing space and refocussing activity in areas of greatest need for the housing sector to continue to generate income. We also deferred out pension deficit payments for 6 months, as outlined earlier.

HOUSING ASSOCIATIONS' CHARITABLE TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

As an organisation, many members of staff already worked remotely so the move to everyone working from home was relatively painless and continues as our preferred way of working today.

The Trustees reviewed the organisations risks on an ongoing basis and refocused the organisation's activity as appropriate. In early pandemic, it was necessary for our focuses to shift in response to the needs of social housing organisations and their tenants. The earlier focus for immediate and enhanced support through the Centre for Excellence in Community Investment, moved quickly into longer-term support and consolidation around enhancing social impact. We continued to deliver major programmes such as our data standards development and explore new opportunities that have emerged around working with the health sector. The increased engagement with social housing organisations promoted healthy working relationships which has supported engagement in other areas. The Covid-19 continues to have some impact today, this is largely due to increased infection rates resulting in staff absence. We continue to review and manage our people and invest in their wellbeing to ensure we continue to deliver against our plans.

PLANS FOR THE FUTURE

The 2022/2023 financial year sees the launch of our new 5-year corporate plan. We continue to focus on growing the products, services and workstreams that are most successful, also reflecting on our role as a trusted partner and thought leader in the social housing sector, and what this means for the future. How we conceptualise our work, what we do, and how we relate to housing providers is more important than ever.

We have reflected on HACT's work now and into the future, working alongside our partners and social housing organisations to address the challenges ahead. We will continue to grow our offer, champion and enhance the social purpose of social landlords, and place social justice and social impact at the heart of our work. We will see our major piece of sector-wide development program on social value conclude. We are about to enter phase 3 of our major development activity to create a methodology to enable organisations to use data to predict the financial and health resilience of their residents. Capitalising on what has been some of the largest collaborations in the social housing sector, we will propel this work forward to deliver innovation, value and impact for social landlords, their tenants, and communities.

The importance and challenge of meeting Net Zero Carbon for social landlords is of critical concern. How we avert environmental catastrophe and ensure that our homes and our communities are sustainable for the future is an area that HACT is exploring. We are currently starting a pilot of an innovative carbon credits scheme which will enable social housing providers to create financial value directly because of retrofit activity. We continue our own digital transformation journey and embed our online platform, growing our license and subscription business. For HACT and for social landlords, there are other important considerations and opportunities that speak to our social purpose. How we move forward with social justice at the heart of our approach, that addresses poverty and creates opportunities for our tenants and communities, will be a key strand of our future.

We are a growing organisation and have ambitious plans for ourselves and for our sector.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Housing Associations' Charitable Trust Limited (HACT) is registered as a charity; charity registration number: 1096829; company registration no: 4560091.

The charity is governed by its Memorandum and Articles of Association.

HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022

HACT's Standing Orders specify the planning and delivery framework and powers delegated to the Chief Executive.

HACT works throughout the United Kingdom predominantly in England and Wales, but also with partners in, Northern Ireland and Scotland.

HACT has a fully owned subsidiary (100% share capital) – HACT Housing Action Ltd (Company Registration Number 3616766).

HACT's Memorandum and Article of Association make provision for 15 Board Members to be appointed, although it is the Board's policy to not exceed 11 members. The Board brings knowledge and experience in governance, financial and organisational management, marketing, communications and strategic development. It is mainly comprised of senior professionals working within social housing organisations.

HACT's Standing Orders explain the policy and procedures underpinning the appointment and conduct of the Board and robust procedures for Board induction.

The Board seeks to ensure a diverse group of Board Members given HACT's values and focus. This is achieved by monitoring and targeting groups to recruit a board which includes: women and black and minority ethnic representation; seeking younger people and people with fresh ideas and ways of thinking; and monitoring sexual orientation. Ideally at least one third of HACT's Board should be housing chief executives and/or senior housing personnel from across the regions.

HACT seeks to welcome new Board Members with an induction process that is both informative and supportive. The Board Member Induction, Support and Development policy and procedure outlines this process. A letter confirming the appointment will be sent with induction materials and information.

HACT recognises that Board and committee members are valuable assets and offers Board members a number of support mechanisms intended to assist them achieve and exceed its minimum standards of competency and contribution, and to facilitate continuous improvement in members' individual and collective performance.

The overall objective of Board Member induction, support and development is to optimise the contribution of the board to the work of HACT. This is achieved by:

- Identifying and recording skills, expertise and interests brought by Board Members to the board.
- Ensuring induction of new Board Members so they gain a good early understanding of how HACT operates and why; of its ethos and history, and of current issues.
- Providing personal support during the learning curve, primarily from the chair, senior staff, and from a fellow Board Member as a mentor.
- Ensuring all Board Members are aware of each other's skills, expertise and interests.
- Reviewing, after an appropriate induction period, areas in which Board Members wish to increase or reduce their level of contribution.
- Reviewing at appropriate times, with the chair, Board Members' contribution and to reach mutual agreement about renewal (or non-renewal) of terms of office.

HOUSING ASSOCIATIONS' CHARITABLE TRUST
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FOR THE YEAR ENDED 31 MARCH 2022

The Board has established the Finance and Performance Committee, a sub-committee of the Board, with responsibility to oversee and scrutinise all financial and financial performance matters. The Finance and Performance Committee is chaired by the Treasurer.

All day-to-day operational and management decisions of the organisation are delegated to the Chief Executive, Andrew van Doorn, the Managing Director, Jacqui Bateson and the Business

Development Director, Matthew Grenier. HACT has in place comprehensive and robust financial management and control procedures with clearly defined delegated authorities and expenditure approval limits that are reviewed annually by the Treasurer.

During 2019-20 the Trustees completed a review of governance in line with the Charity Governance Code published in July 2017. Board is satisfied that we are compliant with the Code and took this opportunity to also review standing orders and publish a new Governance Handbook, which has now been operationalised.

Remuneration policy for key management personnel

HACT has a remuneration policy for all staff which includes the Chief Executive, Managing Director and Business Development Director. In 2021 HACT undertook a salary benchmarking exercise to check that staff remuneration is fair and supports the recruitment and retention of high performing staff. The policy considers both internal and external factors and are reflected in the following Statement of Policy:

- The salaries and benefits paid by HACT will be fair and reasonable and in keeping with its position as a charitable organisation; salary decisions will be influenced by the funding constraints placed upon HACT as a charity.
- Salary policy will be linked to HACT's service objectives which will be supported by providing staff with terms and conditions which are effective in aiding recruitment and retention of quality staff.
- The principle of fairness will apply to all employment policy and processes and differentials will be based on clear differences in responsibility and market factors.
- Pay trends and market forces will be considered in determining salary levels as well as reference to charitable, voluntary, housing sector and other public sector comparisons, although there will be no one factor which automatically affects salary levels. Every 3-years a benchmarking exercise will be carried out to ensure salary levels continue to be in line with similar organisations of a similar size.
- Staff will understand how pay is determined and be able to raise a grievance on pay and benefits decisions which directly affect them.

Salary levels are therefore set based on decisions which reflect the overall movement in 'cost of living' and pay trends in the marketplace, reviewed annually and are based on the Charity's ability to pay. HACT sets its own pay structure, and considers arrangements in other sectors, particularly the voluntary and housing sectors. HACT does not pay below the London Living Wage.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also directors of charitable company for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2022 was 9 (2021: 11). The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Statement as to disclosure to our auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

AUDITORS

Sayer Vincent LLP was appointed as auditor for the 2021-22 financial year.

The trustees' annual report has been approved by the trustees on **4th October 2022** and signed on their behalf by;

.....
Gavin Cansfield
Chair

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Independent Auditor Report

For the year ended 31 March 2022

Opinion

We have audited the financial statements of The Housing Associations' Charitable Trust Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Housing Associations' Charitable Trust Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Independent Auditor Report

For the year ended 31 March 2022

Other Information

The other information comprises the information included in the trustees' annual report, other than the

group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report,

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Independent Auditor Report

For the year ended 31 March 2022

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's/ group's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity/ group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity/group from our professional and sector experience.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Independent Auditor Report

For the year ended 31 March 2022

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

Date 14 October 2022
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Consolidated statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 March 2022

		Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
Income from:	Note	£	£	£	£	£	£
Donations and legacies	3	39,649	-	39,649	51	-	51
Charitable activities:	4						
HACT Local Sales		81,757	-	81,757	75,707	-	75,707
HACT Health Sales		430,068	-	430,068	348,906	-	348,906
HACT Insight Sales		499,162	-	499,162	390,643	-	390,643
HACT Value Sales		663,417	-	663,417	183,076	-	183,076
HACT Digital Sales		224,360	-	224,360	258,158	-	258,158
Grants and contracts		20,000	1,596,701	1,616,701	-	1,272,584	1,272,584
Total charitable activities		1,918,764	1,596,701	3,515,465	1,256,490	1,272,584	2,529,074
Other income	5	783	-	783	29,645	-	29,645
Total income		1,959,196	1,596,701	3,555,897	1,286,186	1,272,584	2,558,770
Expenditure on:							
Raising funds		81,057	-	81,057	32,803	-	32,803
Charitable activities:							
HACT Local Costs		66,446	-	66,446	65,828	-	65,828
HACT Health Costs		338,597	-	338,597	375,882	-	375,882
HACT Insight Costs		528,442	-	528,442	485,946	-	485,946
HACT Value Costs		562,398	-	562,398	167,362	-	167,362
HACT Digital Costs		192,315	-	192,315	240,403	-	240,403
Grants and contracts costs		-	1,786,239	1,786,239	-	832,930	832,930
Total charitable activities		1,688,197	1,786,239	3,474,436	1,335,421	832,930	2,168,351
Total expenditure		1,769,254	1,786,239	3,555,493	1,368,224	832,930	2,201,154
Net income/ (expenditure) for the year	7	189,942	(189,538)	404	(82,038)	439,654	357,616
Actuarial gains/(losses) on defined benefit pension schemes	20	23,995	-	23,995	(423,222)	-	(423,222)
Gains on revaluation of intellectual property	10	1,158,249	-	1,158,249	-	-	-
Net movement in funds		1,372,186	(189,538)	1,182,648	(505,260)	439,654	(65,606)
Balances brought forward		(84,060)	479,654	395,594	421,200	40,000	461,200
Total funds carried forward		1,288,126	290,116	1,578,242	(84,060)	479,654	395,594

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Balance sheet

As at 31 March 2022

	Note	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Fixed assets:					
Intellectual property	10	1,628,000	1,628,000	493,334	493,334
Tangible assets	11	143	143	386	386
Investments	12	-	10,000	-	10,000
		<u>1,628,143</u>	<u>1,638,143</u>	<u>493,720</u>	<u>503,720</u>
Current assets:					
Debtors	13	558,542	545,841	1,013,684	1,002,435
Cash at bank and in hand		<u>359,410</u>	<u>352,798</u>	<u>323,299</u>	<u>316,694</u>
		<u>917,952</u>	<u>898,639</u>	<u>1,336,983</u>	<u>1,319,129</u>
Liabilities:					
Creditors: amounts falling due within one year	14	<u>(400,553)</u>	<u>(391,240)</u>	<u>(732,696)</u>	<u>(724,842)</u>
Net current assets		<u>517,399</u>	<u>507,399</u>	<u>604,287</u>	<u>594,287</u>
Net assets excluding pension liability		<u>2,145,542</u>	<u>2,145,542</u>	<u>1,098,007</u>	<u>1,098,007</u>
Defined benefit pension scheme liability	20	<u>(567,300)</u>	<u>(567,300)</u>	<u>(702,413)</u>	<u>(702,413)</u>
Total net assets / (liabilities)		<u><u>1,578,242</u></u>	<u><u>1,578,242</u></u>	<u><u>395,594</u></u>	<u><u>395,594</u></u>
Funds	16				
Restricted funds		290,116	290,116	479,654	479,654
Unrestricted funds:					
General funds		374,676	374,676	203,021	203,021
Revaluation reserve		<u>1,480,750</u>	<u>1,480,750</u>	<u>415,332</u>	<u>415,332</u>
Total unrestricted funds		<u>1,855,426</u>	<u>1,855,426</u>	<u>618,353</u>	<u>618,353</u>
Total funds excluding pension deficit liability		<u>2,145,542</u>	<u>2,145,542</u>	<u>1,098,007</u>	<u>1,098,007</u>
Pension reserves liability		<u>(567,300)</u>	<u>(567,300)</u>	<u>(702,413)</u>	<u>(702,413)</u>
Total funds		<u><u>1,578,242</u></u>	<u><u>1,578,242</u></u>	<u><u>395,594</u></u>	<u><u>395,594</u></u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

As permitted by section 408 of the Companies Act 2006, the company has not presented its own profit and loss account and related notes.

Approved by the trustees on **4 October 2022** and signed on their behalf by:

Gavin Cansfield
Chair

Kulwant Grewal
Treasurer

Company registration no. 4560091

The attached notes form part of the financial statements.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Consolidated statement of cash flows

For the year ended 31 March 2022

	Note	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities:					
Net cash provided by operating activities	a		264,987		304,948
Cash flows from investing activities:					
(Purchase) of fixed assets		(99,750)		(316)	
Pension contributions payments		(129,126)		(50,569)	
Cash (used in) investing activities			(228,876)		(50,885)
Change in cash and cash equivalents in the year			36,111		254,063
Cash and cash equivalents at the beginning of the year			323,299		69,236
Cash and cash equivalents at the end of the year	b		359,410		323,299

a) Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure)/ income for the reporting period (as per the statement of financial activities)	404	357,616
Depreciation	243	502
Amortisation	123,333	123,333
(Increase)/decrease in debtors	455,142	(636,173)
Increase /(decrease) in creditors	(332,143)	450,585
Pension costs	18,008	9,085
Net cash provided by / (used in) operating activities	264,987	304,948

b) Analysis of cash and cash equivalents

	At 1 April 2021 £	Cash flows £	Other changes £	At 31 March 2022 £
Cash at bank and in hand	323,299	36,111	-	359,410
Total cash and cash equivalents	323,299	36,111	-	359,410

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP FRS 102). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary HACTAL on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Going concern

HACT has generated a surplus on unrestricted reserve funds of £1,372,186, after an inherited pension gain of £23,995 and a gain of £1,158,249 on the IP valuation. Net operating surplus on normal activities was £189,942. At the end of the financial year there were defined benefit pension scheme liabilities of £567,300. Following the year end a thorough and detailed review of the financial position and future prospects was undertaken to safeguard the charity's future. The trustees believe that the pension's deficit shown on the balance sheet will not crystallise in the short term but is expected to be funded as necessary over the service lives of the related employees, through annual contributions. The trustees therefore consider it appropriate to prepare the financial statements on a going concern basis.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Income from the sale of tooling subscriptions is recognised at the point of invoice. Subscriptions are normally for a twelve month period so the whole of the income is recognised. Where a subscription is for a period greater than one year then part of the income falling outside of the current period is deferred.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies (continued)

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise of trading costs and the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services, products and training and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Grants payable

Grant expenditure is recognised where there is a legal or constructive obligation to pay. All grants are recognised in the financial statements as liabilities after they have been approved, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the charity.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 6.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £300. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

~	Fixtures and fittings	10 - 20%
~	Computer equipment	33%

Intellectual Property

Intellectual property is initially measured at cost and subsequently revalued and is included at valuation less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as intellectual property when all of the following criteria are demonstrated: the technical feasibility of completing the software so that it will be available for use or sale; the intention to complete the software and use or sell it; the ability to use the software or to sell it; how the software will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and use or sell the software; the ability to measure reliably the expenditure attributable to the software during its development.

The trustees consider a policy to revalue over a three years cycle as realistic and latest revaluation took place this year. The intellectual property is expected to have a further useful life of 6 years and will be amortised on a straight line basis over this period of time.

Investments

Investments in the subsidiary company are held at cost.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies (continued)

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pensions

Pensions: defined contribution

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately for those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of these contributions.

Pensions: defined benefit

The charity operates a defined benefit pension scheme. The cost of providing pension and related benefits is charged to the statement of the financial activities over the employees' service lives on the basis of a constant percentage of earnings which is an estimate of the regular cost. variations from regular cost, arising from periodic actuarial valuations are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. any difference between the charge to the statement of financial activities and the contributories payable to the scheme is shown as an asset or liability in the balance sheet.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Critical accounting judgements and key sources of estimation uncertainty

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.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

**HOUSING ASSOCIATIONS'
CHARITABLE TRUST**
Notes to the financial statements
For the year ended 31 March 2022

3 Income from donations and legacies

	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£	£			£	£
Donations	39,649	-	39,649	51	-	51
	<u>39,649</u>	<u>-</u>	<u>39,649</u>	<u>2,000</u>	<u>-</u>	<u>51</u>

4 Income from charitable activities

	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£	£	£	£	£	£
Invoiced sales						
HACT Local	81,757	-	81,757	75,707	-	75,707
HACT Health	430,068	-	430,068	348,906	-	348,906
HACT Insight	499,162	-	499,162	390,643	-	390,643
HACT Value	663,417	-	663,417	183,076	-	183,076
HACT Digital	224,360	-	224,360	258,158	-	258,158
Total invoiced sales	<u>1,898,764</u>	<u>-</u>	<u>1,898,764</u>	<u>1,256,490</u>	<u>-</u>	<u>1,256,490</u>

Grants and Contracts

Hexagon Housing Association	-	10,000	10,000	-	-	-
London & Quadrant Housing	-	10,000	10,000	-	20,000	20,000
Orbit Group	-	10,000	10,000	-	-	-
Peabody Community Foundation	-	10,000	10,000	-	20,000	20,000
The Guinness Partnership	-	10,000	10,000	-	-	-
Sovereign Housing Association	-	20,000	20,000	-	20,000	20,000
Energy Redress	-	852,243	852,243	-	700,000	700,000
Scottish Energy	-	490,693	490,693	-	375,084	375,084
Fusion 21 Ltd	-	30,000	30,000	-	30,000	30,000
Walsall Housing Group	-	10,000	10,000	-	10,000	10,000
Barrow Cadbury	-	16,000	16,000	-	-	-
JPMorgan Chase Foundation	-	125,000	125,000	-	-	-
Lincolnshire Housing Partnership	10,000	-	10,000	-	-	-
Metropolitan Support Trust	10,000	-	10,000	-	-	-
Other grants	-	2,765	2,765	-	-	-
A2 Dominion	-	-	-	-	2,500	2,500
Longhurst	-	-	-	-	10,000	10,000
PA Housing	-	-	-	-	5,000	5,000
Optivo	-	-	-	-	10,000	10,000
Clarion	-	-	-	-	10,000	10,000
Charis Grants	-	-	-	-	20,000	20,000
ABRI	-	-	-	-	40,000	40,000

Total grants and contracts	<u>20,000</u>	<u>1,596,701</u>	<u>1,616,701</u>	<u>-</u>	<u>1,272,584</u>	<u>1,272,584</u>
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Grand total	<u><u>1,918,764</u></u>	<u><u>1,596,701</u></u>	<u><u>3,515,465</u></u>	<u><u>1,256,490</u></u>	<u><u>1,272,584</u></u>	<u><u>2,529,074</u></u>
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5 Other income

	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£	£	£			£
Other income	783	-	783	29,645	-	29,645
	<u>783</u>	<u>-</u>	<u>783</u>	<u>29,645</u>	<u>-</u>	<u>29,645</u>

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2022

6a Analysis of expenditure - current year

	Basis of allocation	Cost of raising funds £	Charitable activities		Support costs £	2022 Total £	2021 Total £
			Grants & Contracts £	Cost of Programme Sales £			
Staff costs	Direct/Turnover	-	180,000	91,521	718,419	989,940	788,178
Grants award	Direct	-	1,420,784	-	-	1,420,784	615,132
HACT Local Costs	Direct	-	-	33,790	-	33,790	27,967
HACT Health Costs	Direct	-	-	75,296	-	75,296	101,850
HACT Insight Costs	Direct	-	-	205,732	-	205,732	193,084
HACT Value Costs	Direct	-	-	297,413	-	297,413	49,972
HACT Digital Costs	Direct	-	-	102,700	-	102,700	111,297
Direct Project Costs	Direct	-	59,497	-	-	59,497	-
Fundraising	Direct	81,057	-	-	-	81,057	32,803
Support costs	Turnover	-	-	-	154,002	154,002	144,362
Amortisation	Direct	-	-	123,333	-	123,333	123,333
Governance costs	Turnover	-	-	-	11,949	11,949	13,176
		81,057	1,660,281	929,785	884,370	3,555,493	2,201,154
Support costs allocated		-	125,958	758,412	(884,370)	-	-
Total expenditure before other costs 2022		81,057	1,786,239	1,688,197	-	3,555,493	2,201,154
Total expenditure before other costs 2021		32,803	832,930	1,135,421	-	2,001,154	
Grants award						2022 £	2021 £
Corporate grants awards paid in the year						1,420,784	615,132
						1,420,784	615,132

Details of the grants awards can be found in the Trustees' report.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2022

6b Analysis of expenditure - prior year

	Basis of allocation	Charitable activities			Support costs £	2021 Total £
		Cost of raising funds £	Grants & Contracts £	Cost of Programme Sales £		
Staff costs	Direct/Turnover	-	196,018	99,543	492,617	788,178
Grants & Contracts	Direct	-	615,132	-	-	615,132
HACT Local Costs	Direct	-	-	27,967	-	27,967
HACT Health Costs	Direct	-	-	101,850	-	101,850
HACT Insight Costs	Direct	-	-	193,084	-	193,084
HACT Value Costs	Direct	-	-	49,972	-	49,972
HACT Digital Costs	Direct	-	-	111,297	-	111,297
HACT Talent Costs	Direct	-	-	-	-	-
Fundraising	Direct	32,803	-	-	-	32,803
Support costs	Turnover	-	-	-	144,362	144,362
Amortisation	Direct	-	-	123,333	-	123,333
Governance costs	Turnover	-	-	-	13,176	13,176
		32,803	811,150	707,046	650,155	2,201,154
Support costs allocated		-	21,780	628,375	(650,155)	-
Total expenditure before other costs 2021		32,803	832,930	1,335,421	-	2,201,154

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2022

7 Net expenditure for the year

This is stated after charging :

	2022	2021
	£	£
Depreciation	243	502
Amortisation of IP	123,333	123,333
Auditor's remuneration (excluding VAT) :		
Audit fees	11,000	10,350
Prior year over provision		(50)

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	840,280	676,924
Social security costs	85,258	68,387
Employer's contribution to defined contribution pension schemes	46,394	33,782
Defined benefit pension schemes costs	18,008	9,085
	989,940	788,178

The following number of employees received employee benefits (excluding employer pension) during the year between:

	2022 No.	2021 No.
£60,000 - £69,999	2	1
£70,000 - £79,999	1	-
£80,000 - £89,999	-	1
£90,000 - £99,999	1	1

The total employee benefits including employer NIC and pension contributions of the key management personnel were £280,885 (2021: £261,513).

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2021: £nil) and no trustees were reimbursed expenses during the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022 No.	2021 No.
Charitable activities	15	13
Support and raising funds	2	2
Governance	1	1
	18	16

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2022

10 Intellectual property

	2022	2021
	£	£
Cost at the start of the year	1,157,500	1,157,500
Additions during the year	99,750	-
Amortisation at the start of the year	(664,166)	(540,833)
Amortisation charge for the year	(123,333)	(123,333)
Revaluation during the year	1,158,249	-
Net book value at the end of the year	1,628,000	493,334
Historical Cost	147,250	78,002

The Intellectual Property consists of two data mapping tools used by Housing Authorities called Community Insight and Social Value respectively. Both tools were professionally valued as at 31st March 2022 by Valuation Consulting LLP, an independent valuation firm. HACT's share of Community Insight was valued at £696,000 and Social Value was valued at £932,000. The valuation is based on the fair market value. The Historic cost of Intellectual Property is £147,250.

The trustees consider a policy to revalue over a three years cycle as realistic. The intellectual property is expected to have a useful life of 6 years and will be amortised on a straight line basis over this period of time.

11 Tangible fixed assets

	Fixtures and fittings	Computer equipment	Total
	£	£	£
Cost			
At the start and at the end of the year	6,344	1,118	7,462
At the end of the year	6,344	1,118	7,462
Depreciation			
At the start of the year	6,206	870	7,076
Charge for the year	137	106	243
At the end of the year	6,343	976	7,319
Net book value			
At the end of the year	1	142	143
At the start of the year	138	248	386

All of the above assets are used for charitable purposes.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2022

12a Investments

Investments at cost:	2022	2021
100% share capital of HACT Housing Action Ltd	£	£
10,000 ordinary £1 shares	10,000	10,000

The charitable company owns the whole of the issued share capital of HACTHAL, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. The subsidiary is exempt from audit by virtue of Section 479a of Companies Act 2006. A summary of the results of the subsidiary is shown below:

	2022	2021
	£	£
Turnover	77,196	69,482
Cost of sales	(31,169)	(23,510)
Gross Profit	46,027	45,972
Administrative expenses	(107)	(107)
Profit for financial year	45,920	45,865

Retained earnings

Total retained earnings brought forward	-	-
Profit for the financial year	45,920	45,865
Distribution under Gift Aid to parent charity	(45,920)	(45,865)
Total retained earnings carried forward	-	-

The aggregate of the assets, liabilities and reserves was:

Assets	25,312	40,911
Liabilities	(15,312)	(30,911)
Reserves	10,000	10,000

Amounts owed to/from the parent undertaking are shown in note 18.

12b Parent Charity

The parent charity's gross income and the results for the year are as follows:

	2022	2021
	£	£
Gross income	3,478,701	2,489,288
(Deficit)/Surplus for the year	1,136,728	(458,771)

13 Debtors

	Group	Charity	Group	Charity
	2022	2022	2021	2021
	£	£	£	£
Trade debtors	505,797	493,096	579,258	544,952
Other debtors	20,985	20,985	398,004	398,004
Prepayments	31,760	31,760	36,422	36,422
Amount due from subsidiary	-	-	-	23,057
	558,542	545,841	1,013,684	1,002,435

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2022

14 Creditors: amounts falling due within one year	Group 2022	Charity 2022	Group 2021	Charity 2021
	£	£	£	£
Trade creditors	195,632	182,732	139,374	138,549
Taxation and social security	108,240	106,190	185,348	178,319
Other creditors	18,745	18,745	14,001	14,001
Accruals	12,181	12,181	32,450	32,450
Deferred income	65,755	65,755	361,523	361,523
Amount due to subsidiary	-	5,637	-	-
	400,553	391,240	732,696	724,842

Deferred income	2022	2021
	£	£
Balance at the beginning of the year	361,523	29,100
Amount released to income in the year	(337,293)	(29,100)
Amount deferred in the year	41,525	361,523
Balance at the end of the year	65,755	361,523

Deferred income comprises of future subscriptions invoiced in 2021/22 but relating to future periods and investments in a project which will commence in 2022/23.

15 Analysis of net assets between funds - current year

	Restricted Reserves	General unrestricted	Revaluation Reserve	Pension Reserve	Total funds
	£	£	£	£	£
Tangible fixed assets	-	143	-	-	143
Intellectual property	-	147,250	1,480,750	-	1,628,000
Net current assets	290,116	227,283	-	-	517,399
Defined benefit pension (liability)	-	-	-	(567,300)	(567,300)
Net assets	290,116	374,676	1,480,750	(567,300)	1,578,242

Analysis of net assets between funds - prior year

	Restricted Reserves	General unrestricted	Revaluation Reserve	Pension Reserve	Total funds
	£	£	£	£	£
Tangible fixed assets	-	386	-	-	386
Intellectual property	-	78,002	415,332	-	493,334
Net current assets	479,654	124,633	-	-	604,287
Defined benefit pension (liability)	-	-	-	(702,413)	(702,413)
Net assets	479,654	203,021	415,332	(702,413)	395,594

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2022

16 Movements in funds

Current Year	As at the start of the year	Income & gains	Expenses & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Social Value Roadmap	100,000	30,000	60,000	-	70,000
Energy Redress	-	852,243	726,651	-	125,592
Scottish Energy	347,300	490,693	837,993	-	-
Centre for Excellence	32,354	82,765	65,612	-	49,507
Rentflex	-	141,000	95,983	-	45,017
Total restricted funds	479,654	1,596,701	1,786,239	-	290,116
Unrestricted funds:					
General funds	203,021	1,959,196	1,627,913	(159,628)	374,676
IP Revaluation reserve	415,332	1,158,249	123,333	30,502	1,480,750
Total unrestricted funds	618,353	3,117,445	1,751,246	(129,126)	1,855,426
Total funds excluding pension fund	1,098,007	4,714,146	3,537,485	(129,126)	2,145,542
Pension fund	(702,413)	23,995	18,008	129,126	(567,300)
Total funds including pension fund	395,594	4,738,141	3,555,493	-	1,578,242
Movements in funds					
Prior Year	As at the start of the year	Income & gains	Expenses & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Social Value Roadmap	-	100,000	-	-	100,000
Energy Redress	-	700,000	700,000	-	-
Scottish Energy	-	375,084	27,784	-	347,300
Centre for Excellence	40,000	97,500	105,146	-	32,354
Total restricted funds	40,000	1,272,584	832,930	-	479,654
Unrestricted funds:					
General funds	203,210	1,286,186	1,235,806	(50,569)	203,021
IP Revaluation reserve	538,665	-	123,333	-	415,332
Total unrestricted funds	741,875	1,286,186	1,359,139	(50,569)	618,353
Total funds excluding pension fund	781,875	2,558,770	2,192,069	(50,569)	1,098,007
Pension fund	(320,675)	-	432,307	50,569	(702,413)
Total funds including pension fund	461,200	2,558,770	2,624,376	-	395,594

Restricted funds purpose:

The income of the charity includes grants received for specific restricted projects. The trustees' report includes a description of the activities of each project.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2022

17 Legal status of the charity

The charity is a company limited by guarantee incorporated in the UK and has no share capital. The registered office is 7-14 Great Dover Street, London. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

18 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

At 31 March 2022 an amount of £5,637 (2021: (£23,057)) was due to HACTHAL, the subsidiary of the Charity.

19 Operating lease note

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Equipment 2022 £	2021 £
Less than one year	-	306
One to five years	-	-
	-	306

20 Defined benefit pension scheme liability

The Social Housing Pension Scheme (SHPS) is a defined benefit ("DB") multiemployer pension scheme. Within the year there have been changes made to systems and processes means there is now sufficient information available in respect of the SHPS which has enabled the assets and liabilities to identified for each participating employer. The accounts have been adjusted to recognise the full liability.

	2022 £	2021 £
Brought forward pension liability	702,413	320,675
Pension contributions paid during the year	(129,126)	(50,569)
Pension costs recognised during the year	18,008	9,085
(Gains)/ losses on defined benefit pension scheme	(23,995)	423,222
	567,300	702,413

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

England & Wales - Charity number 1096829

Accounts

Registered Charity No.1096829
Registered Company No. 4560091 (England and Wales)

HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

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**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

LEGAL AND ADMINISTRATIVE DETAILS

The Housing Associations' Charitable Trust Limited (HACT) is registered as a charity; charity registration number: 1096829; company registration no: 4560091.

The charity is governed by its Memorandum and Articles of Association.

Board members who served during the financial year and up to the date of this report, approved these accounts on 23rd September 2021:

Gavin Cansfield (Chair)
Babu Bhattacharjee (Treasurer)
Nick Atkin
Jules Bickers
Mary Gibbons
Rachel Honey-Jones
Samantha Hyde
Davida Johnson
Charlotte Norman – appointed November 2020
Anastasia Odugbesan – appointed November 2020
Shaun Holdcroft - appointed November 2020

Other legal and administrative details

Chief Executive & Company Secretary: Andrew van Doorn

Key Management personnel: Andrew van Doorn
Jacqui Bateson
Matthew Grenier (joined April 2021)
Robin Wray (resigned July 2021)

Registered office: CAN Mezzanine
49-51 East Road London
N1 6AH

Auditor: Sayer Vincent LLP
Invicta House
108-114 Golden
Lane London
EC1Y 0TL

Bankers: Unity Trust Bank plc
9 Brindley Place
Birmingham
B1 2HB

Solicitors: Bates, Wells & Braithwaite
2 – 6 Cannon Street
London
EC4M 6YH

CHAIR'S INTRODUCTION

I am pleased to present HACT's Annual Report for 2020/21.

I don't think any of us were expecting that we would be concluding the financial year still in the pandemic, with ongoing lockdowns and restrictions to our home and work lives. I have been incredibly impressed at the way HACT has continued to adapt to the new and evolving situation; the Board would like to put on record how impressed we have been by the continued enthusiasm with which Drew and the team have not just coped but thrived despite the challenges.

In the last year HACT celebrated its 60th anniversary. Whilst our plans, including our celebration of this milestone, changed dramatically, the role of social landlords in keeping people safe and secure in their communities, came to the fore. We saw the rapid implementation of new ways of working, of connecting with people who live in the homes we manage and collaborating with the NHS and partners locally to support poorer and more vulnerable people in our communities. This was the time when we had to demonstrate why social landlords matter and fully unlock our social purpose.

HACT has a proud and distinguished history of driving and growing the social purpose of social landlords. Over six decades we have worked alongside people in communities, social housing organisations and their partners, to drive value through collaboration, insight and innovation. For nearly 50 years, this was mainly through providing funding and supporting the development of new organisations, projects and ways of working. In the past decade this has been through creating sector-wide collaborations focused on innovation. We have driven major research and development programmes that have created the tools and infrastructure for social landlords to grasp the opportunities ahead of them.

It is certainly true to say that at moments of extreme stress, we focus on the things that matter the most. We have all discovered and re-discovered the places where we live, and relied even more on the relationships that we have and the homes that we live in. But for far too many, the pandemic has highlighted the issues and challenges that poverty, poor housing and inequalities bring.

HACT's focus on social value, community investment, health, digital transformation, and insight, have all proved to be the issues that have enabled social landlords to respond at their best to the pandemic. They will also be critical in our road to recovery. Despite the uncertainty, volatility and challenges our society now faces, we know that the social housing sector can be even more creative and determined in making our social purpose count. I am proud to chair an organisation that is supporting the sector in meeting these challenges head on.

As you will see in this annual report, the breadth and depth of our work over the last year has been simply astounding. We have used our role, networks, and sector-wide collaborations to deliver in greater impact. And we have also taken the opportunity to invest in the resilience and development of HACT, bringing in a variety of new skills that will support our ongoing growth and impact.

HACT is always an organisation that is looking to the future. We are now working on our next five-year strategy, identifying those issues where we can have the most impact for social landlords, their tenants, and communities. We have been speaking with the sector, partners & stakeholders to ensure that we continue to deliver sector leading products, services and support. We know that our response to climate change and delivering net zero carbon will be a key feature of our future work. But we also know that we can only achieve this with greater collaboration, innovation that keeps social purpose and social justice at the heart of our response. HACT will need to ensure that we continue to add value to the sector, pursuing our vision, as well as drive good commercial outcomes to create greater financial resilience.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

We recognise the value of our partners in helping us to deliver now and into the future. I would like to thank the Oxford Consultants for Social Inclusion (OCSI) for our work on Community Insight and Value Insight, Simetrica-Jacobs for our work on social value and OSCRE on the development of the UK Housing Data Standards. We look forward to creating new partnerships as we move forward in the coming year.

Finally, I would like to thank again the team at HACT, the board and the staff, for their fantastic work over the last year. Their expertise, enthusiasm and incredible hard work has ensured our continued success and ability to adapt and thrive. As we head towards a new corporate plan, together with the Board, I am excited for our ambitions for the future.

.....
Gavin Cansfield
HACT Chair
23rd September 2021

HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees (Board), who are also directors under company law, present their report and financial statements for the year ended 31st March 2021.

The Board confirm that the financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

OBJECTIVES AND ACTIVITIES

The Memorandum and Articles of Association give the board members discretion to do anything providing it is "charitable". The activities of HACT are not necessarily restricted to one particular field of work and can operate world-wide if desired.

We strongly believe that the non-profit social housing sector, which provides one in five homes across England, provides a unique and valuable route through which support can be provided to those who need it most, often people and families who find themselves homeless, those with additional vulnerabilities, older people, those in need of care and support, and those on low incomes. Most fundamentally through the provision of a home – a universal need – but also through investing in support for individuals and communities across the country.

We seek to fulfil our charitable mission by providing a focus for ideas and innovation, creating products and services with the sole aim of helping social housing providers deliver more effectively to the individuals and communities they support. We are proud of having built a business capable of delivering that mission through everything that we do.

PUBLIC BENEFIT

We strongly believe that UK social housing providers need to embrace new ideas and innovation if they are to continue to deliver the great homes and communities people need. Successful non-profit housing businesses, with a strong social purpose, need to respond creatively to the challenges and opportunities ahead.

HACT helps lead this change by actively championing new ideas and pioneering innovation in housing. We are focused on supporting social landlords to deliver on their social purpose - providing much needed affordable homes, with care and support to their residents, to live successful lives. We are also championing and promoting of the work that social landlords do in their communities, as community anchor institutions across the UK.

We are a small organisation, but with the potential to influence and deliver on a national scale.

We focus on three broad themes:

Leadership – we aspire to transform the quality of leaders at all levels within housing – at board and executive level. We support both leadership from individuals as well as leadership of organisations. Social landlords are often the largest and most robust non-profit organisations in some of the most deprived communities in the UK. How they invest and deliver impact in these communities is a key part of HACT's work.

Business transformation – We help the sector to reimagine the very core of housing businesses – IT, technology, procurement and the relationship between housing providers and residents are all hugely neglected areas for many landlords and yet have huge transformational potential.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
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Impact and value – we lead the sector around housing and social value, helping social landlords to measure, demonstrate and drive social value in everything that they do. We put resources into evidence and research, data analytics and impact measurement to provide the bedrock of evidence to drive new ideas and support the new pioneering approaches we advocate.

The Trustees have paid due regard to the guidance issues by the Charity Commission in deciding what activities the charity should undertake. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trustees consider the current activities deliver public benefit. Details of the objects which form the basis of this are given in this report.

ACHIEVEMENTS AND PERFORMANCE

HACT's charitable activities and our impact manifests in the variety of ways we work to support the sector to deliver on its social purpose. We develop tools and products that provide insights to aid decision-making; we provide value-adding consultancy that helps organisations to build their own capacity; we act as a broker between sectors, offering insights, advice and guidance; we provoke and challenge through thought leadership; we enable sector-wide collaboration; we explore how new technology can be deployed; we deliver masterclasses and training; we curate quality events; and we consistently explore how to generate and deliver new ideas.

All of this work is centred on the fundamental aim to help housing providers drive change within their own businesses, enabling housing providers to sustain resilient and successful businesses by generating actionable evidence to inform decision-making, and to unlock the ways they can achieve their social purpose.

We continue to structure our work around five areas – Social Value, Community Investment, Health, our Insight tools, and Digital. We also seek to innovate in new areas, both planned and opportunistically, as new issues and concerns arise, and include a research and development pipeline across all these areas of work.

We mainly work with large and medium sized housing associations, and are increasingly expanding our work with those sectors and organisations that work with housing, where we play a significant brokerage role. This includes work with the social housing supply chain, NHS service providers, local authorities, sports and leisure and the broader community and voluntary and social enterprise sectors. Social landlords are at their best when they are collaborating and working together in the communities where they work.

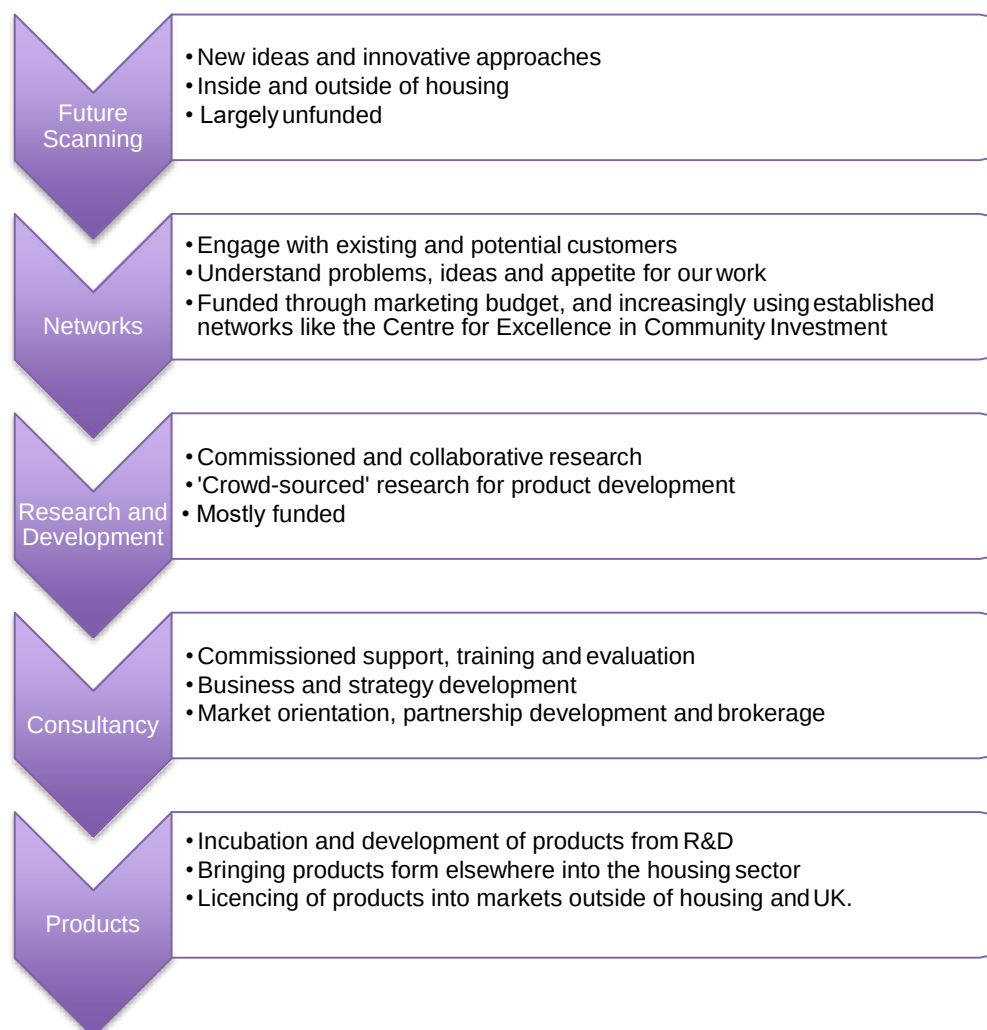
Likewise, particularly with our work in HACT Digital, we provide a space for housing providers and those working on technology solutions and civic innovation to work together. Our networks and our breadth and depth of expertise enable us to support other sectors to understand the businesses and priorities of social housing and to find ways of working creatively to generate impactful solutions.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2021

Our approach can be conceptualised in several iterative stages:



HACT Value

HACT Value is our suite of social value products, services and research. It seeks to embed social value within UK housing by providing robust tools for capturing, measuring and valuing the outcomes that housing associations and their partners deliver for their tenants and communities. This includes the UK Social Value Bank, Social Value Calculator and Value Insight.

The UK Social Value Bank remains the largest bank of methodologically consistent values that exists globally. The repository of values within the UK Social Value Bank are generated using the Wellbeing Valuation model developed by HACT and Simetrica-Jacobs. The values are free for housing associations to use, and are licensed to others, through our trading subsidiary HACTHAL. Having pioneered the approach Wellbeing Valuation is expanding in importance and recognition. It is recognised in the new supplementary guidance on valuing wellbeing to the governments Green Book.

Value Insight is our online tool developed in partnership with OCSI that allows housing associations to easily define, forecast, capture and record the social value they create across their business. We provide a range of consultancy, training, certification, networks and guidance around social

HOUSING ASSOCIATIONS' CHARITABLE TRUST
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value.

During the year the work of the UK Social Value in Housing Taskforce completed its review. It resulted in a comprehensive Roadmap, focussed on the continued development and expansion of the UK Social Value Bank, and maturing its use across the sector. We are now expanding the UK Social Value Bank to include new wellbeing values (primary wellbeing), associated exchequer values (secondary benefits) and new environmental outcomes. With the increasing focus on ESG reporting (Environment, Social and Governance) we are developing a suite of values to support organisations with decision making and reporting at all levels.

In October, we launched our campaign to raise £650,000 for the Roadmap development. We have created a major sector-wide collaboration of organisations investing in and working together to deliver on the Roadmap ambition. By the end of March we had secured commitments worth £500,000 and have created a collaboration of more than 40 social housing organisations and a broad spectrum of other partners. The success of the campaign means that £297,000 of the income raised for the social value roadmap was carried forward into the 2021 financial year to reflect the work required over the current year.

The profile of social value impact measurement continues to be highly relevant and HACT is a leader in this space. This year our annual social value conference saw us attract over 600 attendees, up from around 100 in the previous years.

HACT Local

HACT Local is our work that supports housing associations in their community investment and neighbourhoods work. Community investment is a key expression of the sector's social purpose with how housing providers continuing to demonstrate their commitment to the neighbourhoods and communities where they work.

HACT recognised there was a key space for curating best practice and driving forward innovation in community investment. As the only national body specifically providing networks and support in this space, we established the Centre for Excellence in Community Investment.

The Centre champions and supports community investment in the UK and involves 241 organisations. Throughout the year, the Centre for Community Investment has played a significant role in supporting the response of social landlords to the pandemic. There was unprecedented demand for support from the Centre as organisations grappled with the challenges of lockdown. In the first quarter, we significantly increased the support offered to social landlords, through facilitating weekly meetings, sharing insight and good practice, and supporting collaboration and resource sharing.

The pandemic has further cemented the importance of community investment in the work of social housing providers. So that we could understand the contribution made during the most unprecedented of times, we collated monthly impact measures, as well as case studies and personal accounts.

Addressing Fuel Poverty

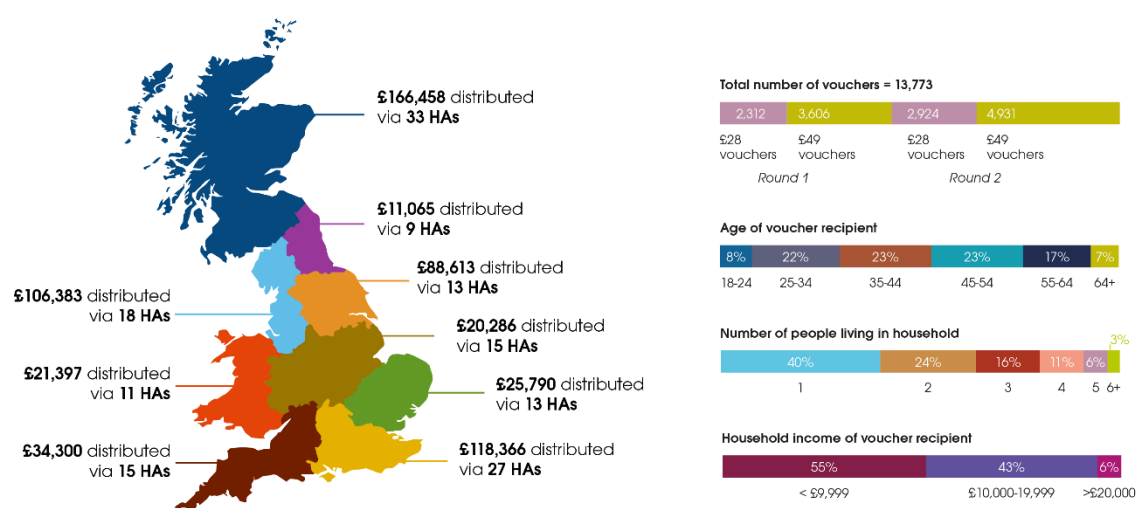
As a result of the pandemic and the real problems of poverty and financial stress experience by many, the Centre formed a collaboration Charis Grants and housing organisations to channel fuel vouchers to those in greatest need. Over the course of the year we secured over £1m of funding

HOUSING ASSOCIATIONS' CHARITABLE TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

and distributed £700,000 through our UK based network of 131 housing providers. The funds were in two allocations over the year from the Energy Savings Trust. In March 2021 we secured a further £375,000 from the Scottish Government, via the Scottish Federation of Housing Associations, for distribution in 2021/22. This is the first time in many years we have participated in the distribution of grant funding and we are seeking additional opportunities to continue this work.

Feedback shows that housing providers really appreciate the role we played in securing and administering the distribution of these funds. It enabled financial support to get into the direct hands of their tenants quickly and efficiently. It demonstrates the impact that HACT can have with the sector when working through our networks.

Fig 1. Impact of the Energy Redress Voucher Scheme



HACT Health

The connection between housing and health has never been so important. HACT Health supports housing associations and NHS providers to develop new relationships that lead to major improvements in healthcare for their residents. It is delivered in partnership with Peter Molyneux of Common Cause Consulting.

Our work with NHS Trusts continues to grow and evolve, moving from shorter-term engagements in brokering new relationships between the NHS and housing, to major commissions to embed new expertise and approaches. We commonly work with NHS trusts, Commissioners, Government (MHCLG, PHE and NHS England) and the breadth of our work includes strategy development and discovery reports; market engagement and brokering relationships between partners creating pathway design; evaluation of services and strategic partnership development.

We continue to second to MHCLG and Public Health England the Rough Sleeping and Health Advisor, who this year has delivered considerable impact in supporting the Everyone In initiative. The scale of this operation has never been seen before and its impact in supporting people to move away from rough sleeping will be long lasting.

HOUSING ASSOCIATIONS' CHARITABLE TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

With increasing demand on NHS services, we have worked throughout the year to develop and support new collaborations and unlock the opportunities of more integrated care. We were commissioned to write the first Integrated Care System (ICS) Mental Health and Housing Strategy in the country for Sussex Health and Care Partnership. We supported the development of a new ICS-wide collaboration for Mersey and Cheshire, so support social housing tenants into NHS jobs. We have also supported trusts in London and in Dorset to take a more strategic approach to housing.

HACT Health also undertakes research to improve the evidence base for the health and housing work delivered by social landlords. We also delivered our third Integrated Care Systems and Housing Development Programme.

HACT Insight

HACT Insight focuses on providing affordable and easy access to insight products to the desktops of staff in housing. Working in partnership with the Oxford Consultants in Social Inclusion (OCSI) we have developed a suite of products includes Community insight, Value Insight and Local Insight. These tools provide valuable insight from 1,200 data sets which can be tailored by individual organisations and even users and enriched with an organisations own data. Working with OCSI, the data is continuously updated, and we are looking forward to the release of the latest census data in the coming year or two. These are a significant, renewable income line for HACT and for a key part of our ongoing plans.

During the year, the need to have greater intelligence at a neighbourhood level really came the fore. Working with organisations like the Red Cross, our partners OCSI were able to bring new data sets into Community Insight that mapped the risk of Covid Impact. We followed this through with training and support for Community Insight users so that they could harness this new data to direct their community based responses.

As the use of data and insight grows in our sector, we have provided support to adopt new data analytical methods that drive greater business insight and the prioritisation of resources. This includes helping housing associations to build their capacity and capability around data and evidence creation.

Our research activity is also a key part of HACT Insight. As well as undertaking evaluations for housing associations of their work and impact, we aim is to look at bigger issues of wider relevance to the sector. During the year we worked with Placeshapers to understand the impact of the first lockdown and what this would mean for future services and engagement with communities. The resulting research was published in our report 'Places after the Pandemic' following which we launched a new Place-based Working learning programme to begin in the next year.

We approach research from a collaborative perspective, bringing together a range of housing providers to invest in major research programmes. We are also introducing new methodologies to the sector.

HACT Digital

We have been working since 2016 to provide an answer to the perennial complaint of 'bad' data in the sector. Working with OSCRE as our delivery partner, we have now worked with over a hundred housing associations to develop the UK Housing Data Standard. Development of the standard has continued and now totals seven standards covering everything from core customer data; voids allocation; income and service charge collection and care and support, to all things related to the building; planned and reactive repairs and development handover.

HOUSING ASSOCIATIONS' CHARITABLE TRUST
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During the year, we completed the Development Handover Standard and started work on the Complaints and Resident Feedback standard. Version 4.0: Complaints and Resident Feedback, is now completed and due to be released imminently. Later this year, we will add to the environment and ESG standard and regulatory returns standard to the UK Housing Data Standard

During the year, the relevance and importance of the UK Housing Data Standard was recognised by Dame Judith Hackitt in a letter to us:

““We see real value and importance in the UK Housing Data Standards (UKHDS) you are developing,” she wrote. “They will enable organisations to keep information about the way homes are constructed and how they meet the compliance regime in an accessible way that can be shared with residents and contractors alike.”

“In my interim report,” Dame Judith Hackitt continued, “I stated that there needs to be a golden thread for complex buildings so that the original design intent, and any subsequent changes or refurbishment, are recorded and properly reviewed. We therefore welcomed the fact that the Housing Associations' Charitable Trust (HACT) has been proactively leading the way on developing the golden thread.”

HACT, along with many other industry specialists and government, is involved in the work to develop the buildings safety legislation and the data requirements for the golden thread.

With this standard, housing associations will be able to fully embrace a digital future, improving how they work with their residents and how they innovate and transform their services.

We continue to support organisations in the implementation of data standards, excellence in data governance and their ambitions to become data driven, digitised organisations for the future. This has been a direct response to the volume of organisations undergoing transformation processes. We recognise that social landlords need support from independent organisations to provide space for critical conversations, to facilitate solutions and to bring together often disparate strands of work across businesses. Our successful Learning Lab programme which supports understanding of data, good data governance and the data standards continues to attract attention.

Events, masterclasses and action learning

We continue to run a range of events, seminars and learning programmes. With all activity moving online, we were able to reach a much wider audience and engage more people in more frequent learning activity. Other than our longer-term learning development programmes and our social value masterclasses, all other events and webinars were free to attendees. We run the annual social value conference in partnership with the Northern Housing Consortium, attracting 600 delegates. Our social value masterclass programme has continued to be in high demand.

Our approach to events and learning has translated to an increase in demand for in-house training and consultancy that is increasingly workshop-based, providing the same feel for attendees as our other events, but with more focus on specific challenges.

HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
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FINANCIAL REVIEW

Income generated during 2020-21 was higher than 2019-20. Income received in 2020-21 increased by 164 per cent. 99 per cent of all HACT's income is derived from trading activity, predominantly from social housing organisations and NHS organisations.

Income across all lines has remained stable across the year with little negative impact arising from the pandemic. HACT Local income shows a significant increase in income due to the contracting of a third fuel poverty voucher scheme in Scotland for £375k. Due to the timing of the contract, the payment has been held as income in the 2020/2021 financial year as restricted funds, however, all funds, with the exception of the administration fee, will be held over to the 2021/2022 financial year to reflect when the funds were actually spent.

Restricted funds are a reserve of money that can only be used for specific purposes. Restricted funds provide reassurance to donors/grantees that their contributions are used in a manner they have chosen. The impact of the timing of these funds to HACT means that whilst in the 2020/2021 financial year looks extremely positive from a surplus perspective, this will be counterbalanced in the 2021/2022 financial year when the funds will be spent, and the matching income already recognised in the prior year. It should be noted that the funds had all been distributed by the end of July 2021.

Income generated and raised during 2020-21 was £2,558,770 with £1,286,186 available for unrestricted purposes. Total expenditure was £2,201,154 with expenditure for unrestricted purposes of £1,368,224.

Summary Income and expenditure	2021 Total £	2020 Total £
Income from:		
Earned Income	1,256,490	1,436,839
Unearned Income	1,302,280	123,742
Total Income	2,558,770	1,560,581
Expenditure on:		
Raising funds	32,803	4,459
Charitable activities	2,168,351	1,582,323
Adjustment for:		
IP tool impairment/gains*	-123,333	-123,333
Pension costs**	41,484	71,867
Total expenditure	2,119,305	1,535,316
Net result on normal activities excluding impairment	439,465	24,765

* The IP Tool amortisation of £123,333 is as set out in note 10 to the accounts.

** The pension cost figure is the net of the employer contribution of £50,569 actually paid for the year and the defined benefit costs of £9,085 recognised as expenditure in SOFA both of which are set out in note 20 to the accounts.

HACT ended the year with a surplus of £439,465 on normal activities (as outlined in the table above). Together with the pension costs, IP amortisation and actuarial loss on the pension £423,222 a total loss of (£65,606) as shown on the SOFA.

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Investment Policy and Performance

In accordance with HACT's governing document the Trustees have the power to invest in such stocks, shares, investments and property in the UK, as it deems appropriate. HACT had no investments during the 2020-21 financial year.

Pension

HACT is a member of the Social Housing Pension Scheme operated by the Pensions Trust. From April 2013 staff have access to the defined contribution scheme. Before this date staff were members of the defined benefits scheme.

As noted, the full assets and liabilities of the SHPS scheme are now calculated for each employer. The pension liability is now £702,413 and this appears on our balance sheet. This is higher than our liability last year (£320,675) due to a combination of payments into the scheme (including some past service deficit contributions, due to a suspension of payments for 6-months during the pandemic), payments out of the scheme (benefit payments and expenses) and reduced investment return over the period. The performance of investment assets is subject to market conditions and can fall as well as rise. However, it is important to note that our operational position remains viable.

The pension scheme is not expected to crystallise at a single point in time and is affordable as long as annual contributions can be met. The Trustees are aware of the risks of the pension scheme and have taken steps to ensure that a member of staff at all times remains a member.

We were prepared for the fact that fully valuing the pension liability would have a significant impact on our Balance Sheet. The Trustees will continue to work closely with our auditors on the going concern consideration.

During the pandemic, the Trustees considered the potential challenges for HACT and in order to plan for challenges, we deferred pension payments for 6-months to ensure cash flow in the business was not compromised. The repayments re-started in April 2021 and the deferred amount will be repaid over the coming 2-years.

The Triennial valuation of the SHPS scheme took place 30 September 2020. Information released in August indicates that employers will need to increase their deficit payments by 50% of the next seven years to bridge the £1.5bn funding gap in the scheme. We have not yet received notification of the exact amount for HACT, but a 50% increase would be in the region of £50K per year, increasing our deficit payment to around £150K.

HACTHAL

HACT has a fully owned trading subsidiary HACTHAL and the accounts include the results of HACTHAL, which includes licences for the UK Social Value Bank and sponsorship. The influence on the 2020-21 financial year has decreased and this is due to a re-prioritising of our licensing activity in the year in favour of ensuring the social value roadmap is successful and drives significant change which will act as a springboard for increased licence activity through HACTHAL.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
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INTELLECTUAL PROPERTY

The Intellectual Property consists of two online data mapping tools used by Housing Associations called Community Insight and Value Insight.

Community Insight is used mainly by housing association neighbourhood focused staff but increasingly going into other parts of housing organisations. Its basic functionality – placing of data on maps – is not unique. What defines the product is the way in which that functionality is being built around the specific requirements of and working practices of housing association staff.

Value Insight is a companion product to Community Insight and is a social value calculation, forecasting and mapping tool, used mainly by housing associations. Its basic functionality – measuring and forecasting social value – is not unique. However, some aspects are unique – the mapping of social value and social value proxies that are embedded within the tool.

It is the policy of HACT that Intellectual Property is only recognised as Intangible asset if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably. The Intellectual Property was revalued as of 31 March 2019, with Community Insight (including Local Insight) valued at £585,000 and Value Insight valued at £155,000. The improved valuation is a reflection of the consistently good retention activity and the increase in new sales activity. Every three years we re-value the Intellectual Property, however, if we recognise a material impact in sales activity for any reason the Trustees may decide to do this earlier. However, at this stage, there is no indication that this is the case.

RESERVES POLICY

The Board are fully aware of the need to ensure HACT's ongoing and future viability. In order to provide consistently high quality and reliable services and innovation programmes, HACT must have at all times sufficient resources to finance planned activities, deal effectively with unexpected setbacks, and take advantage of opportunities for expanding and improving its work.

The enterprise and innovation nature of HACT's business requires sufficient funds to manage cash flow risk, as well as adequate resources to invest in ongoing development and innovation. Any business heavily invested in research and development will require adequate reserves to invest upfront in new products and services.

HACT's policy is reviewed annually by the Board at the first meeting after the financial year end. HACT's policy covers the following areas:

1. The types of funds or reserves which HACT will retain and the reasons why;
2. How to assess and determine the required level of retained funds or reserves; and
3. What steps will be taken to create and maintain the required funds.

Assessment of Reserves Needs

The general reserve target is to hold close costs calculated at £215k. There is currently no maximum reserves target.

HOUSING ASSOCIATIONS' CHARITABLE TRUST
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The reserves policy is informed by a realistic assessment of HACT's needs on a regular and consistent basis in the context of the business plan and in light of:

- Forecasts for levels of future income, including the reliability of each source of income and the possibility of new sources;
- Forecasts for future expenditure on the basis of the level of planned activities;
- An analysis of future developments, contingencies or risks; and
- An assessment of the likelihood of those future events, and their impact on HACT's operation.

Likewise, given the impact of the full pension liability, which is brought onto the balance sheet, we now consider our reserves policy explicitly in relation to the pension liability as well. HACT has a pension liability of £702k in relation to the defined benefit scheme. Excluding the pension liability, reserves stand at £1.1m, with the pension liability, we show reserves of £400k.

Of our current net assets, £480k is in our restricted fund with £203k sitting in the general reserve. Whilst these reserves are lower than our calculated closure costs of £215k, Board recognises that the total pension liability does not translate to a cash payment and that we will be able to cover payments on an ongoing basis. As such, unrestricted general funds will not be designated to cover this liability.

With a robust and realistic annual budgeting process in place, and the Executive and Leadership teams scrutinising budget and cashflow on a monthly and ongoing basis, Trustees are confident that HACT will continue to build on our reserves in the medium to long term. In the short term, HACT has put in place procedures to mitigate the risk of the pension liability crystallising. With the understanding that the liability will only crystallise at the point at which no member of staff is enrolled in the current scheme, Board and the Executive have agreed therefore that HACT will, if it becomes necessary, absorb the cost of for a junior member of staff to join the existing scheme.

Fund	Purpose	Basis of calculation	Reserves held on 31.3.21
1) Restricted funds	As specified by third parties	Amounts received / outstanding	£479,674
2) Unrestricted funds			
a) General Reserves	Covers the need for day-to-day working capital; unavoidable budget shortfalls; disruption of business; loss of income, etc.	Past experience, risk analysis / scenario planning - aim to hold a minimum level equal to 3 months' expenditure less designated reserves.	£ 203,021
b) Revaluation Reserve	Future amortization of Intellectual Property	Value of the Intellectual Property, revalued Jul 2019	£ 415,332
3) Designated funds:			
R&D Reserve	Provide investment into new products at risk	Past experience, allocation against plans for new development.	£0
Total funds, excluding pension deficit			£1,098,007

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4) Pension reserve			
b) Pension Reserve liability	The NPV of the SHPS Pension deficit payment liability	Provided by SHPS Actuary	(£ 702,413)
Total, including pension liability			£ 395,594

Fundraising

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. HACT does not raise funds directly from the general public and does not actively solicit donations. We do not work directly with commercial sponsors but where commercial sponsorship is arranged for an event a clear contract is in place between the trading company and the commercial sponsor. The Trustees are not aware of any complaints made in respect of fundraising during the period.

Safeguarding

HACT believes that everyone we come into contact with, regardless of age, gender identity, disability, sexual orientation or ethnic origin has the right to be protected from all forms of harm, abuse, neglect and exploitation. HACT will not tolerate abuse and exploitation by staff or associated personnel.

HACT commits to addressing safeguarding throughout its work, through the three pillars of prevention, reporting and response.

In November 2018, the Trustees agreed a new Safeguarding policy. The policy is designed to protect people, particularly children and at-risk adults from any harm that may be caused due to their coming into contact with HACT. This includes harm arising from:

- The conduct of staff or personnel associated with HACT.
- The design and implementation of HACT's programmes, research and activities.

The policy lays out the commitments made by HACT and informs staff and associated personnel of their responsibilities in relation to safeguarding.

In support of our approach to safeguarding, we also have policies and procedures on bullying and harassment, and whistleblowing.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board reviewed the risk register in February 2021 and reviewed it throughout the year as the impact of the pandemic became known. Risks are reviewed against our corporate strategy and assesses and monitors the level of risk arising in the following areas, which the Executive Team recognises as interdependent:

1. **Governance and management risks:** HACT has a strong Board, supported by a small Executive Team with extensive experience in organisational development and leadership. It meets regularly to review business strategy, and receives regular reports on business performance, both in relation to its activities and its financial management. HACT undertook a governance review against the new Code of Governance in the 2018-19 financial year and as a result the membership of the Board has diversified to ensure it has both depth and

breadth of experience, as complementary to the executive and leadership teams. HACT has also strengthened the expertise of its senior management and leadership team. The current corporate plan comes to an end in March 2022 and the executive team and The Board has begun to assess the next 5-year corporate plan period which will reassert its mission and role in the social housing sector. This will be supported with a rigorous business plan to support delivery.

2. **Operational risks:** The Board monitors closely HACT's capacity and credibility, including ensuring the resources and expertise are in place to deliver on our mission effectively. Key operational risks include the tension between immediate product sales and growth of key products and a longer-term development pipeline. As an organisation focused on innovation, protecting time and resources to develop new ideas and projects is important to ensure this is not completely subordinated by immediate cash flow pressures. These interdependent risks ultimately impact on sustainability, the viability of our partnerships and management of these relationships, over-stretch of existing capacity, staff retention and customer relationship management. Our staff team has been bolstered with the creation of a business development team to ensure there is the right balance of skills to create and deliver on opportunities. Partnership working, with existing and new partners, helps address capacity needs and ensures flexibility. We have reviewed all partnership agreements and are entering into new agreements where necessary.
3. **Financial risks:** With a fully embedded social enterprise model, HACT's primary financial risks are now two-fold: securing sufficient income and sales to deliver an operating surplus that delivers the mission and business plan; and delivering a strong credit control regime that ensures sufficient cash flow. The Finance and Performance Committee, a formal Board subcommittee, continues to operate effectively, supporting the Treasurer and Executive in managing the organisational finances, reviewing cash flow forecasts and managing deposits and investments. Income and sales targets have been set for key areas of work and are reviewed quarterly against the business plan. The Credit Control system has dramatically reduced trade debtors; we continue to review the Credit Control system to improve cashflow.
4. **External risks:** Ensuring HACT's continued relevance to and support from the social housing sector, including productive relationships with other sector bodies, is critical to the delivery of HACT's mission, and the sustainability of its income streams. HACT continues to invest heavily in building the necessary relationships with housing associations as the supporters, funders and customers of HACT. HACT also undertakes periodic market reviews, identifying major changes and new market entrants and products. The perception and reputation of HACT within the sector is another key area of focus. With significant attention on securing income and delivering projects, we also recognise the importance of explicitly communicating our impact and relevance to the sector through various media. HACT continues to invest in communications and marketing support.
5. **Compliance with law and regulation:** The Board reviews HACT's Standing Orders periodically so as to ensure that the reporting framework and delegation of powers meet compliance requirements. The Board completed a fundamental review to ensure that HACT is operating within the new Code of Governance. Financial Policies and Procedures are also reviewed annually, and further improvements made to operational reporting arrangements in the course of the last year.

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COVID-19 PANDEMIC

The Covid-19 pandemic started, towards the end of our previous financial year and ran throughout the 2020/2021 financial year. Initially the Board reviewed the financial position and impact of activity as it unfolded. A number of actions were taken in order to secure our future resilience such as taking advantage of the furlough scheme for a short period of time, to create breathing space and refocussing activity in areas of greatest need for the housing sector to continue to generate income. We also deferred out pension deficit payments for 6 months, as outlined earlier. As an organisation, many members of staff already worked remotely so the move to everyone working from home was relatively painless. We are now considering how we will develop and utilise new practices over the longer term. The Trustees reviewed the organisations risks on an ongoing basis and refocused the organisation's activity as appropriate. Throughout the year, our focuses shifted in response to the needs of social housing organisations and their tenants. The earlier focus for immediate and enhanced support through the Centre for Excellence in Community Investment, moved quickly into longer-term support and consolidation around enhancing social impact. We continued to deliver major programmes such as our data standards development and explore new opportunities that have emerged around working with the health sector. The increased engagement with social housing organisations promoted healthy working relationships which has supported engagement in other areas.

PLANS FOR THE FUTURE

In 2020, HACT had its sixtieth anniversary. With this significant milestone we continue to grow the products, services and workstreams that are most successful, also reflecting on our role as a trusted partner and thought leader in the social housing sector, and what this means for the future. How we conceptualise our work, what we do, and how we relate to housing providers is more important than ever.

We are now developing ideas for our next strategy, which will be in place from 2022. This give us the opportunity to reflect on HACT's work now and into the future, working alongside our partners and social housing organisations to address the challenges ahead. We will continue to grow our offer, champion and enhance the social purpose of social landlords, and place social justice and social impact at the heart of our work. We will see some major piece of sector-wide development programmes come to a conclusion, in data standards and the expansion of the UK Social Value Bank. Capitalising on what has been some of the largest collaborations in the social housing sector, we will propel this work forward to deliver innovation, value and impact for social landlords, their tenants and communities.

The importance and challenge of meeting Net Zero Carbon for social landlords is of critical concern. How we avert environmental catastrophe and ensure that our homes and our communities are sustainable for the future is an area that HACT is exploring. There will be a need for technological innovation and new financial investment at a time of considerable pressure on the public finances. For HACT and for social landlords, there are other important considerations and opportunities that speak to our social purpose. How we move forward with social justice at the heart of our approach, that address poverty and creates opportunities for our tenants and communities, we be a key strand of our future plans.

We are a growing organisation and have ambitious plans for ourselves and for our sector.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Housing Associations' Charitable Trust Limited (HACT) is registered as a charity; charity registration number: 1096829; company registration no: 4560091.

The charity is governed by its Memorandum and Articles of Association.

HACT's Standing Orders specify the planning and delivery framework and powers delegated to the Chief Executive.

HACT works throughout the United Kingdom predominantly in England and Wales, but also with partners in, Northern Ireland and Scotland.

HACT has a fully owned subsidiary (100% share capital) – HACT Housing Action Ltd (Company Registration Number 3616766).

HACT's Memorandum and Article of Association make provision for 15 Board Members to be appointed, although it is the Board's policy to not exceed 11 members. The Board brings knowledge and experience in governance, financial and organisational management, marketing, communications and strategic development. It is mainly comprised of senior professionals working within social housing organisations.

HACT's Standing Orders explain the policy and procedures underpinning the appointment and conduct of the Board and robust procedures for Board induction.

The Board seeks to ensure a diverse group of Board Members given HACT's values and focus. This is achieved by monitoring and targeting groups to recruit a board which includes: women and black and minority ethnic representation; seeking younger people and people with fresh ideas and ways of thinking; and monitoring sexual orientation. Ideally at least one third of HACT's Board should be housing chief executives and/or senior housing personnel from across the regions.

HACT seeks to welcome new Board Members with an induction process that is both informative and supportive. The Board Member Induction, Support and Development policy and procedure outlines this process. A letter confirming the appointment will be sent with induction materials and information.

HACT recognises that Board and committee members are valuable assets and offers Board members a number of support mechanisms intended to assist them achieve and exceed its minimum standards of competency and contribution, and to facilitate continuous improvement in members' individual and collective performance.

The overall objective of Board Member induction, support and development is to optimise the contribution of the board to the work of HACT. This is achieved by:

- Identifying and recording skills, expertise and interests brought by Board Members to the board.
- Ensuring induction of new Board Members so they gain a good early understanding of how HACT operates and why; of its ethos and history, and of current issues.
- Providing personal support during the learning curve, primarily from the chair, senior staff, and from a fellow Board Member as a mentor.
- Ensuring all Board Members are aware of each other's skills, expertise and interests.

HOUSING ASSOCIATIONS' CHARITABLE TRUST
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- Reviewing, after an appropriate induction period, areas in which Board Members wish to increase or reduce their level of contribution.
- Reviewing at appropriate times, with the chair, Board Members' contribution and to reach mutual agreement about renewal (or non-renewal) of terms of office.

The Board has established the Finance and Performance Committee, a sub-committee of the Board, with responsibility to oversee and scrutinise all financial and financial performance matters. The Finance and Performance Committee is chaired by the Treasurer.

All day-to-day operational and management decisions of the organisation are delegated to the Chief Executive, Andrew van Doorn, the Managing Director, Jacqui Bateson and the Business Development Director, Matthew Grenier. HACT has in place comprehensive and robust financial management and control procedures with clearly defined delegated authorities and expenditure approval limits that are reviewed annually by the Treasurer.

During 2019-20 the Trustees completed a review of governance in line with the Charity Governance Code published in July 2017. Board are satisfied that we are compliant with the Code and took this opportunity to also review standing orders and publish a new Governance Handbook, which has now been operationalised.

Remuneration policy for key management personnel

HACT has a remuneration policy for all staff which includes the Chief Executive, Managing Director and Business Development Director. The policy takes into account both internal and external factors and are reflected in the following Statement of Policy:

- The salaries and benefits paid by HACT will be fair and reasonable and in keeping with its position as a charitable organisation; salary decisions will be influenced by the funding constraints placed upon HACT as a charity.
- Salary policy will be linked to HACT's service objectives which will be supported by providing staff with terms and conditions which are effective in aiding recruitment and retention of quality staff.
- The principle of fairness will apply to all employment policy and processes and differentials will be based on clear differences in responsibility and market factors.
- Pay trends and market forces will be taken into account in determining salary levels as well as reference to charitable, voluntary, housing sector and other public sector comparisons, although there will be no one factor which automatically affects salary levels.
- Staff will understand how pay is determined and be able to raise a grievance on pay and benefits decisions which directly affect them.

Salary levels are therefore set on the basis of decisions which reflect the overall movement in 'cost of living' and pay trends in the marketplace, reviewed annually and are based on the Charity's ability to pay. HACT sets its own pay structure, and takes into account arrangements in other sectors, particularly the voluntary and housing sectors. HACT does not pay below the London Living Wage.

HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also directors of charitable company for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was 11 (2020: 11). The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Statement as to disclosure to our auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

AUDITOR

Sayer Vincent LLP was re-appointed as auditor for the 2020-21 financial year.

The trustees' annual report has been approved by the trustees on **23rd September 2021** and signed on their behalf by;

.....
Gavin Cansfield
Chair

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE HOUSING ASSOCIATIONS' CHARITABLE TRUST LIMITED**

Opinion

We have audited the financial statements of The Housing Associations' Charitable Trust Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Housing Associations' Charitable Trust Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE HOUSING ASSOCIATIONS' CHARITABLE TRUST LIMITED**

statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements,

we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report,

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE HOUSING ASSOCIATIONS' CHARITABLE TRUST LIMITED**

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's/ group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity/ group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity/group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE HOUSING ASSOCIATIONS' CHARITABLE TRUST LIMITED**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)
11 November 2021
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Consolidated statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 March 2021

		Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	3	51	-	51	2,000	-	2,000
Charitable activities:	4						
HACT Local Sales		75,707	1,172,584	1,248,291	145,960	120,000	265,960
HACT Health Sales		348,906	-	348,906	358,071	-	358,071
HACT Insight Sales		390,643	-	390,643	457,446	-	457,446
HACT Value Sales		183,076	100,000	283,076	212,754	-	212,754
HACT Digital Sales		258,158	-	258,158	262,608	-	262,608
Total charitable activities		1,256,490	1,272,584	2,529,074	1,436,839	120,000	1,556,839
Other income	5	29,645	-	29,645	1,742	-	1,742
Total income		1,286,186	1,272,584	2,558,770	1,440,581	120,000	1,560,581
Expenditure on:							
Raising funds		32,803	-	32,803	4,459	-	4,459
Charitable activities:							
HACT Local Costs		65,828	832,930	898,758	78,769	126,723	205,492
HACT Health Costs		375,882	-	375,882	333,628	-	333,628
HACT Insight Costs		485,946	-	485,946	556,626	-	556,626
HACT Value Costs		167,362	-	167,362	196,972	-	196,972
HACT Digital Costs		240,403	-	240,403	280,380	-	280,380
HACT Talent Costs		-	-	-	9,225	-	9,225
Total charitable activities		1,335,421	832,930	2,168,351	1,455,600	126,723	1,582,323
Total expenditure		1,368,224	832,930	2,201,154	1,460,059	126,723	1,586,782
Transfers between funds		-	-	-	377	(377)	-
Net income/ (expenditure) for the year	7	(82,038)	439,654	357,616	(19,101)	(7,100)	(26,201)
Actuarial gains/(losses) on defined benefit pension schemes	20	(423,222)	-	(423,222)	555,121	-	555,121
Net movement in funds		(505,260)	439,654	(65,606)	536,020	(7,100)	528,920
Balances brought forward		421,200	40,000	461,200	(114,820)	47,100	(67,720)
Total funds carried forward		(84,060)	479,654	395,594	421,200	40,000	461,200

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Balance sheet

As at 31 March 2021

	Note	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Fixed assets:					
Intellectual property	10	493,334	493,334	616,667	616,667
Tangible assets	11	386	386	572	572
Investments	12	-	10,000	-	10,000
		<u>493,720</u>	<u>503,720</u>	<u>617,239</u>	<u>627,239</u>
Current assets:					
Debtors	13	1,013,684	1,002,435	377,511	349,483
Cash at bank and in hand		<u>323,299</u>	<u>316,694</u>	<u>69,236</u>	<u>69,039</u>
		<u>1,336,983</u>	<u>1,319,129</u>	<u>446,747</u>	<u>418,522</u>
Liabilities:					
Creditors: amounts falling due within one year	14	<u>(732,696)</u>	<u>(724,842)</u>	<u>(282,111)</u>	<u>(263,886)</u>
Net current assets		<u>604,287</u>	<u>594,287</u>	<u>164,636</u>	<u>154,636</u>
Net assets excluding pension liability		<u>1,098,007</u>	<u>1,098,007</u>	<u>781,875</u>	<u>781,875</u>
Defined benefit pension scheme liability	20	<u>(702,413)</u>	<u>(702,413)</u>	<u>(320,675)</u>	<u>(320,675)</u>
Total net assets / (liabilities)		<u><u>395,594</u></u>	<u><u>395,594</u></u>	<u><u>461,200</u></u>	<u><u>461,200</u></u>
Funds	16				
Restricted funds		479,654	479,654	40,000	40,000
Unrestricted funds:					
General funds		203,021	203,021	203,210	203,210
Revaluation reserve		<u>415,332</u>	<u>415,332</u>	<u>538,665</u>	<u>538,665</u>
Total unrestricted funds		<u>618,353</u>	<u>618,353</u>	<u>741,875</u>	<u>741,875</u>
Total funds excluding pension deficit liability		<u>1,098,007</u>	<u>1,098,007</u>	<u>781,875</u>	<u>781,875</u>
Pension reserves liability		<u>(702,413)</u>	<u>(702,413)</u>	<u>(320,675)</u>	<u>(320,675)</u>
Total funds		<u><u>395,594</u></u>	<u><u>395,594</u></u>	<u><u>461,200</u></u>	<u><u>461,200</u></u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part15 of the Companies Act 2006.

As permitted by section 408 of the Companies Act 2006, the company has not presented its own profit and loss account and related notes.

Approved by the trustees on **23rd September 2021** and signed on their behalf by:

Gavin Cansfield
Chair

Babu Bhattacharjee
Treasurer

Company registration no. 4560091

The attached notes form part of the financial statements.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Consolidated statement of cash flows

For the year ended 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities:					
Net cash provided by operating activities	a		304,948		10,502
Cash flows from investing activities:					
(Purchase) of fixed assets		(316)		-	
Pension contributions payments		(50,569)		(96,867)	
Cash (used in) investing activities			(50,885)		(96,867)
Change in cash and cash equivalents in the year			254,063		(86,365)
Cash and cash equivalents at the beginning of the year			69,236		155,601
Cash and cash equivalents at the end of the year	b		323,299		69,236

a) Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	357,616	(26,201)
Depreciation	502	738
Interest, rent and dividends from investments	-	-
Amortisation	123,333	123,333
(Increase)/decrease in debtors	(636,173)	(83,197)
Increase /(decrease) in creditors	450,585	(29,171)
Pension costs	9,085	25,000
Net cash provided by / (used in) operating activities	304,948	10,502

b) Analysis of cash and cash equivalents

	At 1 April 2020 £	Cash flows £	Other changes £	At 31 March 2021 £
Cash at bank and in hand	69,236	254,063	-	323,299
Total cash and cash equivalents	69,236	254,063	-	323,299

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2021

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP FRS 102). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary HACTAL on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Going concern

HACT has generated a loss on unrestricted reserve funds of £505,260, after inherited pension losses of £423,222. Net operating loss on normal activities was £82,038. At the end of the financial year there were defined benefit pension scheme liabilities of £702,413. Following the year end a thorough and detailed review of the financial position and future prospects was undertaken to safeguard the charity's future. The trustees believe that the pension's deficit shown on the balance sheet will not crystallise in the short term but is expected to be funded as necessary over the service lives of the related employees, through annual contributions. The trustees therefore consider it appropriate to prepare the financial statements on a going concern basis.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Income from the sale of tooling subscriptions is recognised at the point of invoice. Subscriptions are normally for a twelve month period so the whole of the income is recognised. Where a subscription is for a period greater than one year then part of the income falling outside of the current period is deferred.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise of trading costs and the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services, products and training and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2021

1 Accounting policies (continued)

Grants payable

Grant expenditure is recognised where there is a legal or constructive obligation to pay. All grants are recognised in the financial statements as liabilities after they have been approved, the recipients have been notified and there are no further terms and conditions to be fulfilled which are within the control of the charity.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 6.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £300. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Fixtures and fittings	10 - 20%
Computer equipment	33%

Intellectual Property

Intellectual property is initially measured at cost and subsequently revalued and is included at valuation less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as intellectual property when all of the following criteria are demonstrated: the technical feasibility of completing the software so that it will be available for use or sale; the intention to complete the software and use or sell it; the ability to use the software or to sell it; how the software will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and use or sell the software; the ability to measure reliably the expenditure attributable to the software during its development.

The trustees consider a policy to revalue over a three years cycle as realistic and this revaluation took place in 2019. The intellectual property is expected to have a further useful life of 6 years and will be amortised on a straight line basis over this period of time.

Investments

Investments in the subsidiary company are held at cost.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pensions

Pensions: defined contribution

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately for those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of these contributions.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2021

1 Accounting policies (continued)

Pensions: defined benefit

The charity operates a defined benefit pension scheme. The cost of providing pension and related benefits is charged to the statement of the financial activities over the employees' service lives on the basis of a constant percentage of earnings which is an estimate of the regular cost. variations from regular cost, arising from periodic actuarial valuations are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. any difference between the charge to the statement of financial activities and the contributories payable to the scheme is shown as an asset or liability in the balance sheet.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Critical accounting judgements and key sources of estimation uncertainty

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.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

HOUSING ASSOCIATIONS'
CHARITABLE TRUST
Notes to the financial statements
For the year ended 31 March 2021

2 Detailed comparatives for the statement of financial activities

	2020 Unrestricted	2020 Restricted £	2020 Total £
Income from:			
Donations and legacies	2,000	-	2,000
Charitable activities:			
HACT Local Sales	145,960	120,000	265,960
HACT Health Sales	358,071	-	358,071
HACT Insight Sales	457,446	-	457,446
HACT Value Sales	212,754	-	212,754
HACT Digital Sales	262,608	-	262,608
Other trading activities	1,742	-	1,742
Total income	1,440,581	120,000	1,560,581
Expenditure on:			
Raising funds	4,459	-	4,459
Charitable activities:			
HACT Local Costs	78,769	126,723	205,492
HACT Health Costs	333,628	-	333,628
HACT Insight Costs	556,626	-	556,626
HACT Value Costs	196,972	-	196,972
HACT Digital Costs	280,380	-	280,380
HACT Talent Costs	9,225	-	9,225
Total charitable activities	1,455,600	126,723	1,582,323
Total expenditure	1,460,059	126,723	1,586,782
Net income / expenditure for the year	(19,478)	(6,723)	(26,201)
Transfers between funds	377	(377)	-
Net income / (expenditure) before other recognised gains	(19,101)	(7,100)	(26,201)
Recognition of full SHPS pension liability	-	-	-
Actuarial gains on defined benefit pension scheme	555,121	-	555,121
Gains on revaluation of intellectual property	-	-	-
Net movement in funds	536,020	(7,100)	528,920
Reconciliation of funds:			
Balances brought forward	(114,820)	47,100	(67,720)
Total funds carried forward	421,200	40,000	461,200

3 Income from donations and legacies

	Unrestricted £	Restricted £	2021 Total	Unrestricted	Restricted £	2020 Total £
Donations	51	-	51	2,000	-	2,000
	51	-	51	2,000	-	2,000

HOUSING ASSOCIATIONS'
CHARITABLE TRUST
Notes to the financial statements
For the year ended 31 March 2021

4 Income from charitable activities

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
HACT Local sales						
Invoiced sales	75,707	-	75,707	145,960	-	145,960
A2 Dominion	-	2,500	2,500	-	-	-
Longhurst	-	10,000	10,000	-	-	-
PA Housing	-	5,000	5,000	-	-	-
Optivo	-	10,000	10,000	-	-	-
Clarion	-	10,000	10,000	-	20,000	20,000
L & Q	-	20,000	20,000	-	20,000	20,000
Orbit	-	-	-	-	40,000	40,000
Peabody	-	20,000	20,000	-	20,000	20,000
Sovereign Housing	-	20,000	20,000	-	20,000	20,000
Energy Redress	-	700,000	700,000	-	-	-
Scottish Energy	-	375,084	375,084	-	-	-
Total	75,707	1,172,584	1,248,291	145,960	120,000	265,960
HACT Health sales						
Invoiced sales	348,906	-	348,906	358,071	-	358,071
Total	348,906	-	348,906	358,071	-	358,071
HACT Insight sales						
Invoiced sales	390,643	-	390,643	457,446	-	457,446
Total	390,643	-	390,643	457,446	-	457,446
HACT Value sales						
Invoiced sales	183,076	-	183,076	212,754	-	212,754
Fusion 21	-	30,000	30,000	-	-	-
Charis Grants	-	20,000	20,000	-	-	-
ABRI	-	40,000	40,000	-	-	-
WHG H.A	-	10,000	10,000	-	-	-
Total	183,076	100,000	283,076	212,754	-	212,754
HACT Digital sales						
Invoiced sales	258,158	-	258,158	262,608	-	262,608
Total	258,158	-	258,158	262,608	-	262,608
Grand total	1,256,490	1,272,584	2,529,074	1,436,839	120,000	1,556,839

5 Other income

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Other income	29,645	-	29,645	1,742	-	1,742
	29,645	-	29,645	1,742	-	1,742

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2021

6a Analysis of expenditure - current year

	Basis of allocation	Cost of raising funds £	Charitable activities		Support costs £	2021 Total £	2020 Total £
			Grants & Contracts £	Cost of Programme Sales £			
Staff costs	Direct/Turnover	-	196,018	99,543	492,617	788,178	738,208
Grants award	Direct	-	615,132	-	-	615,132	11,223
HACT Local Costs	Direct	-	-	27,967	-	27,967	1,000
HACT Health Costs	Direct	-	-	101,850	-	101,850	57,750
HACT Insight Costs	Direct	-	-	193,084	-	193,084	215,393
HACT Value Costs	Direct	-	-	49,972	-	49,972	57,781
HACT Digital Costs	Direct	-	-	111,297	-	111,297	140,459
HACT Talent Costs	Direct	-	-	-	-	-	9,225
Fundraising	Direct	32,803	-	-	-	32,803	4,459
Support costs	Turnover	-	-	-	144,362	144,362	216,263
Amortisation	Direct	-	-	123,333	-	123,333	123,333
Governance costs	Turnover	-	-	-	13,176	13,176	11,688
		32,803	811,150	707,046	650,155	2,201,154	1,586,782
Support costs allocated		-	21,780	628,375	(650,155)	-	-
Total expenditure before other costs 2021		32,803	832,930	1,335,421	-	2,201,154	1,586,782
Total expenditure before other costs 2020		4,459	126,723	1,455,600	-	1,586,782	
Grants award						2021 £	2020 £
Corporate grants awards paid in the year						615,132	-
						615,132	-

Details of the grants awards can be found in the Trustees' report.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2021

6b Analysis of expenditure - prior year

	Basis of allocation	Charitable activities			Support costs £	2020 Total £
		Cost of raising funds £	Grants & Contracts £	Cost of Programme Sales £		
Staff costs	Direct/Turnover	-	102,755	98,174	537,279	738,208
Grants & Contracts	Direct	-	11,223	-	-	11,223
HACT Local Costs	Direct	-	-	1,000	-	1,000
HACT Health Costs	Direct	-	-	57,750	-	57,750
HACT Insight Costs	Direct	-	-	215,393	-	215,393
HACT Value Costs	Direct	-	-	57,781	-	57,781
HACT Digital Costs	Direct	-	-	140,459	-	140,459
HACT Talent Costs	Direct	-	-	9,225	-	9,225
Fundraising	Direct	4,459	-	-	-	4,459
Support costs	Turnover	-	-	-	216,263	216,263
Amortisation	Direct	-	-	123,333	-	123,333
Governance costs	Turnover	-	-	-	11,688	11,688
		4,459	113,978	703,115	765,230	1,586,782
Support costs allocated		-	12,745	752,485	(765,230)	-
Total expenditure before other costs 2020		4,459	126,723	1,455,600	-	1,586,782

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2021

7 Net expenditure for the year

This is stated after charging :

	2021	2020
	£	£
Depreciation	502	738
Amortisation of IP	123,333	123,333
Auditor's remuneration (excluding VAT) :		
Audit fees	10,350	10,200
Prior year over provision	(50)	-

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021	2020
	£	£
Salaries and wages	676,924	614,922
Social security costs	68,387	65,254
Employer's contribution to defined contribution pension schemes	33,782	31,008
Defined benefit pension schemes costs	9,085	27,024
	788,178	738,208

The following number of employees received employee benefits (excluding employer pension) during the year between:

	2021 No.	2020 No.
£60,000 - £69,999	1	2
£80,000 - £89,999	1	1
£90,000 - £99,999	1	1

The total employee benefits including employer NIC and pension contributions of the key management personnel were £261,513 (2020: £356,770).

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2020: £nil) and no trustees were reimbursed expenses during the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021 No.	2020 No.
Raising funds	1	1
Charitable activities	13	11
Support	1	1
Governance	1	1
	16	14

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2021

10 Intellectual property

	2021 £	2020 £
Cost at the start of the year	1,157,500	1,157,500
Amortisation at the start of the year	(540,833)	(417,500)
Amortisation charge for the year	(123,333)	(123,333)
Net book value at the end of the year	493,334	616,667
Historical Cost	78,002	78,002

The Intellectual Property consists of two data mapping tools used by Housing Authorities called Community Insight and Value Insight respectively. Both tools were jointly developed and owned 50:50 with OSCI. Both tools were professionally valued as at 31st March 2019 by Valuation Consulting LLP, an independent valuation firm. HACT's share of Community Insight was valued at £585,000 and Value Insight was valued at £155,000. The valuation is based on the fair market value. The Historic cost of Intellectual Property is £78,002.

The trustees consider a policy to revalue over a three years cycle as realistic. The intellectual property is expected to have a useful life of 6 years and will be amortised on a straight line basis over this period of time.

11 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At the start and at the end of the year	6,344	46,434	52,778
Additions in year	-	316	316
Disposals in year	-	(45,632)	(45,632)
At the end of the year	6,344	1,118	7,462
Depreciation			
At the start of the year	5,774	46,432	52,206
Charge for the year	432	70	502
Eliminated on disposal	-	(45,632)	(45,632)
At the end of the year	6,206	870	7,076
Net book value			
At the end of the year	138	248	386
At the start of the year	570	2	572

All of the above assets are used for charitable purposes.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2021

12a Investments

Investments at cost:	2021	2020
100% share capital of HACT Housing Action Ltd	£	£
10,000 ordinary £1 shares	10,000	10,000

The charitable company owns the whole of the issued share capital of HACTHAL, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. The subsidiary is exempt from audit by virtue of Section 479a of Companies Act 2006. A summary of the results of the subsidiary is shown below:

	2021	2020
	£	£
Turnover	69,482	104,275
Cost of sales	(23,510)	(35,629)
Gross Profit	45,972	68,646
Administrative expenses	(107)	(85)
Profit for financial year	45,865	68,561
Gift aid to parent charity	(45,865)	(68,561)
	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	40,911	31,928
Liabilities	(30,911)	(21,928)
Total funds	10,000	10,000

12b Parent Charity

The parent charity's gross income and the results for the year are as follows:

	2021	2020
	£	£
Gross income	2,489,288	1,456,307
(Deficit)/Surplus for the year	(458,771)	435,809

13 Debtors

	Group	Charity	Group	Charity
	2021	2021	2020	2020
	£	£	£	£
Trade debtors	579,258	544,952	345,360	313,629
Other debtors	398,004	398,004	16,639	16,639
Prepayments	36,422	36,422	15,512	15,512
Amount due from subsidiary	-	23,057	-	3,703
	1,013,684	1,002,435	377,511	349,483

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2021

14 Creditors: amounts falling due within one year	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Trade creditors	139,374	138,549	96,167	82,817
Taxation and social security	185,348	178,319	128,176	123,301
Other creditors	14,001	14,001	14,400	14,400
Accruals	32,450	32,450	18,068	18,068
Deferred income	361,523	361,523	25,300	25,300
	<u>732,696</u>	<u>724,842</u>	<u>282,111</u>	<u>263,886</u>

Deferred income	2021	2020
	£	£
Balance at the beginning of the year	29,100	29,100
Amount released to income in the year	(29,100)	(29,100)
Amount deferred in the year	361,523	25,300
Balance at the end of the year	<u>361,523</u>	<u>25,300</u>

Deferred income comprises of future subscriptions invoiced in 2020/21 but relating to future periods and investments in a project which will commence in 2021/22.

15 Analysis of net assets between funds - current year

	Restricted Reserves	General unrestricted	Revaluation Reserve	Pension Reserve	Total funds
	£	£	£	£	£
Tangible fixed assets	-	386	-	-	386
Intellectual property	-	78,002	415,332	-	493,334
Net current assets	479,654	124,633	-	-	604,287
Defined benefit pension (liability)	-	-	-	(702,413)	(702,413)
Net assets	<u>479,654</u>	<u>203,021</u>	<u>415,332</u>	<u>(702,413)</u>	<u>395,594</u>

Analysis of net assets between funds - prior year

	Restricted Reserves	General unrestricted	Revaluation Reserve	Pension Reserve	Total funds
	£	£	£	£	£
Tangible fixed assets	-	572	-	-	572
Intellectual property	-	78,002	538,665	-	616,667
Net current assets	40,000	124,636	-	-	164,636
Defined benefit pension (liability)	-	-	-	(320,675)	(320,675)
Net assets	<u>40,000</u>	<u>203,210</u>	<u>538,665</u>	<u>(320,675)</u>	<u>461,200</u>

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2021

16 Movements in funds

Current Year	As at the start of the year	Income & gains	Expenses & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Social Value Roadmap	-	100,000	-	-	100,000
Energy Redress	-	700,000	700,000	-	-
Scottish Energy	-	375,084	27,784	-	347,300
Centre for Excellence	40,000	97,500	105,146	-	32,354
Total restricted funds	40,000	1,272,584	832,930	-	479,654
Unrestricted funds:					
General funds	203,210	1,286,186	1,235,806	(50,569)	203,021
IP Revaluation reserve	538,665	-	123,333	-	415,332
Total unrestricted funds	741,875	1,286,186	1,359,139	(50,569)	618,353
Total funds excluding pension fund	781,875	2,558,770	2,192,069	(50,569)	1,098,007
Pension fund	(320,675)	-	432,307	50,569	(702,413)
Total funds including pension fund	461,200	2,558,770	2,624,376	-	395,594
Movements in funds					
Prior Year	As at the start of the year	Income & gains	Expenses & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Self Help Housing	10,100	-	10,390	290	-
JRF RCT	17,000	-	16,333	(667)	-
Centre for Excellence	20,000	120,000	100,000	-	40,000
Total restricted funds	47,100	120,000	126,723	(377)	40,000
Unrestricted funds:					
General funds	170,845	1,440,581	1,311,726	(96,490)	203,210
IP Revaluation reserve	661,998	-	123,333	-	538,665
Total unrestricted funds	832,843	1,440,581	1,435,059	(96,490)	741,875
Total funds excluding pension fund	879,943	1,560,581	1,561,782	(96,867)	781,875
Pension fund	(947,663)	555,121	25,000	96,867	(320,675)
Total funds including pension fund	(67,720)	2,115,702	1,586,782	-	461,200

Restricted funds purpose:

The income of the charity includes grants received for specific restricted projects. The trustees' report includes a description of the activities of each project.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2021

17 Legal status of the charity

The charity is a company limited by guarantee incorporated in the UK and has no share capital. The registered office is 49-51 East Road, London. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

18 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

At 31 March 2021 an amount of £23,057 (2020: £3,703) was due from HACTHAL, the subsidiary of the Charity.

19 Operating lease note

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Equipment 2021 £	2020 £
Less than one year	306	1,541
One to five years	-	306
	306	1,847

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2021

20 Defined benefit pension scheme liability

	2021 £	2020 £
Social Housing Pension Scheme	701,000	319,000
The Growth Plan	1,413	1,675
	<u>702,413</u>	<u>320,675</u>

EMPLOYER: E3488 - HACT

PLAN: SOCIAL HOUSING PENSION SCHEME

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

	31 March 2021 (£000s)	31 March 2020 (£000s)
Fair value of plan assets	2,940	2,625
Present value of defined benefit obligation	3,641	2,944
Surplus (deficit) in plan	(701)	(319)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(701)	(319)

Reconciliation of the impact of the asset ceiling

	31 March 2021 (£000s)
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

Reconciliation of opening and closing balances of the defined benefit obligation

	31 March 2021 (£000s)
Defined benefit obligation at start of period	2,944
Current service cost	-
Expenses	2
Interest expense	70
Member contributions	-
Actuarial losses (gains) due to scheme experience	(40)
Actuarial losses (gains) due to changes in demographic assumptions	13
Actuarial losses (gains) due to changes in financial assumptions	688
Benefits paid and expenses	(36)
Defined benefit obligation at end of period	3,641

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2021

20 Defined benefit pension scheme liability (continued)

Reconciliation of opening and closing balances of the fair value of plan assets

	31 March 2021 (£000s)
Fair value of plan assets at start of period	2,625
Interest income	63
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	238
Employer contributions	50
Member contributions	-
Benefits paid and expenses	(36)
Fair value of plan assets at end of period	2,940

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £301,000.

Defined benefit costs recognised in statement of comprehensive income (SoCI)

	31 March 2021 (£000s)
Current service cost	-
Expenses	2
Net interest expense	7
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	9

Defined benefit costs recognised in Other Comprehensive Income (OCI)

	31 March 2021 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	238
Experience gains and losses arising on the plan liabilities - gain (loss)	40
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(13)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(688)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(423)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in Other Comprehensive Income - gain (loss)	(423)

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2021

20 Defined benefit pension scheme liability (continued)

Assets

	31 March 2021	31 March 2020
	(£000s)	(£000s)
Global Equity	468	384
Absolute Return	162	137
Distressed Opportunities	85	51
Credit Relative Value	92	72
Alternative Risk Premia	111	183
Fund of Hedge Funds	-	2
Emerging Markets Debt	119	79
Risk Sharing	107	89
Insurance-Linked Securities	71	81
Property	61	58
Infrastructure	196	195
Private Debt	70	53
Opportunistic Illiquid Credit	75	63
High Yield	88	-
Opportunistic Credit	81	-
Corporate Bond Fund	174	150
Liquid Credit	35	1
Long Lease Property	58	45
Secured Income	122	100
Liability Driven Investment	747	871
Net Current Assets	18	11
Total assets	2,940	2,625

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key Assumptions

	31 March 2021	31 March 2020
	% per annum	% per annum
Discount Rate	2.15%	2.38%
Inflation (RPI)	3.29%	2.63%
Inflation (CPI)	2.86%	1.63%
Salary Growth	3.86%	2.63%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2021

20 Defined benefit pension scheme liability (continued)

SCHEME: The Pensions Trust – The Growth Plan

PRESENT VALUES OF PROVISION

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2021 (£s)	Period Ending 31 March 2020 (£s)
Provision at start of period	1,675	2,032
Unwinding of the discount factor (interest expense)	37	25
Deficit contribution paid	(347)	(337)
Remeasurements - impact of any change in assumptions	48	(45)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	1,413	1,675

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2021 (£s)	Period Ending 31 March 2020 (£s)
Interest expense	37	25
Remeasurements – impact of any change in assumptions	48	(45)
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2021

20 Defined benefit pension scheme liability (continued)

ASSUMPTIONS

	31 March 2021 % per annum	31 March 2020 % per annum	31 March 2019 % per annum
Rate of discount	0.66	2.53	1.39

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	31 March 2021 (£s)	31 March 2020 (£s)	31 March 2019 (£s)
Year 1	358	347	337
Year 2	368	358	347
Year 3	379	368	358
Year 4	326	379	368
Year 5	-	326	379
Year 6	-	-	326
Year 7	-	-	-
Year 8	-	-	-
Year 9	-	-	-
Year 10	-	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.