

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**

CONTENTS	Pages
Legal and administrative details	3
Report of the trustees	4 - 22
Independent auditors' report	23 - 26
Consolidated Statement of financial activities	27
Balance sheets	28
Statement of cash flows	29
Notes to the financial statements	30 - 41

**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 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

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.

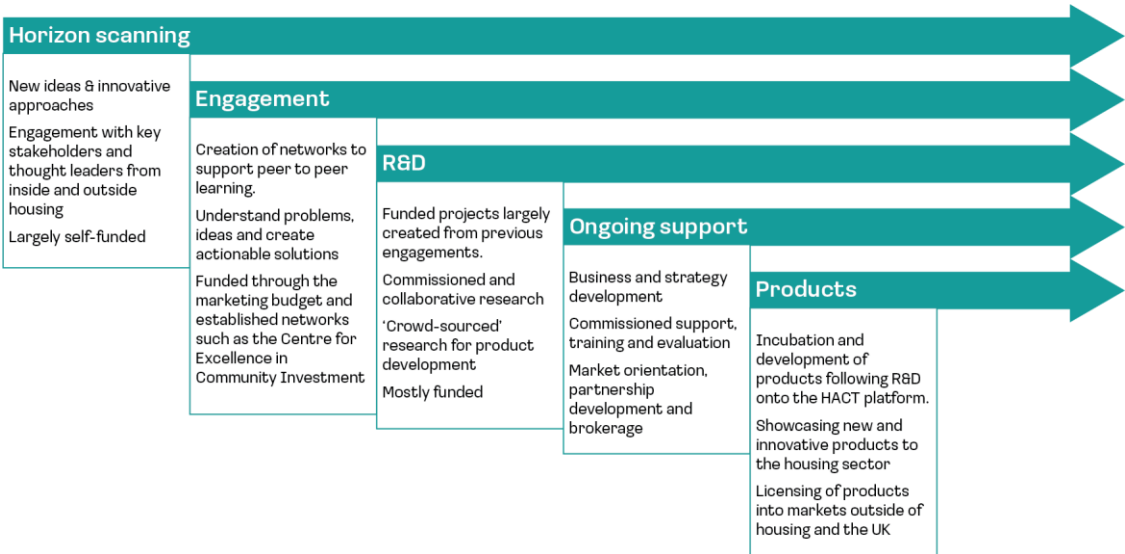
HOUSING ASSOCIATIONS’ CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

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

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

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.

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

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.

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

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.

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

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 offset 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.

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

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.

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

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.

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

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.
-

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

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

HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2023

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		1,015,932	1,003,402	359,410	352,798
		<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	(453,910)	(405,172)	(400,553)	(391,240)
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	(547,191)	(547,191)	(567,300)	(567,300)
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		676,917	676,917	1,480,750	1,480,750
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		(547,191)	(547,191)	(567,300)	(567,300)
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:

<input type="checkbox"/> Fixtures and fittings	10 - 20%
<input type="checkbox"/> 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	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

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)
	<hr/>	<hr/>
	547,191	567,300
	<hr/>	<hr/>

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	191	300
	<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.
