

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

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

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

CONTENTS	Pages
Legal and administrative details	3
Report of the trustees	4 - 25
Independent auditors' report	26 - 29
Consolidated Statement of financial activities	30
Balance sheets	31
Statement of cash flows	32
Notes to the financial statements	33 - 49

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

LEGAL AND ADMINISTRATIVE DETAILS

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

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

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

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

Other legal and administrative details

Chief Executive & Company Secretary: Andrew van Doorn OBE

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

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

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

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

CHAIR'S INTRODUCTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Gavin Cansfield
HACT Chair
19th September 2024

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

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

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

OBJECTIVES AND ACTIVITIES

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

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

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

PUBLIC BENEFIT

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

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

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

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

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

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

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

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

ACHIEVEMENTS AND PERFORMANCE

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

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

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

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

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

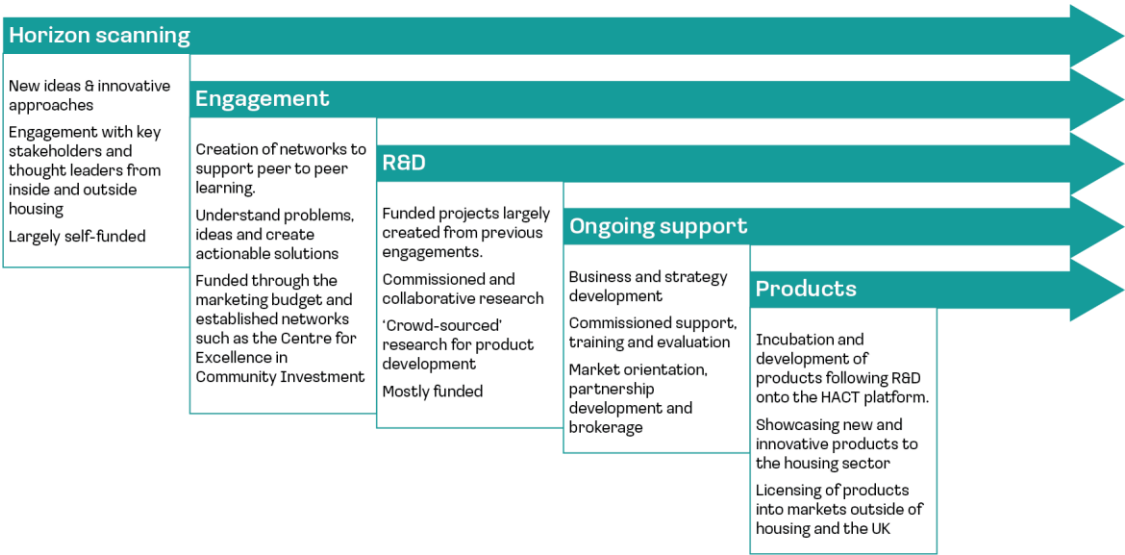
THE HOUSING ASSOCIATIONS' CHARITABLE TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

Our approach can be conceptualised in several iterative stages:



Social Value (HACT Value)

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

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

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

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

Community Investment (HACT Local)

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

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

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

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

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

Addressing Fuel Poverty

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

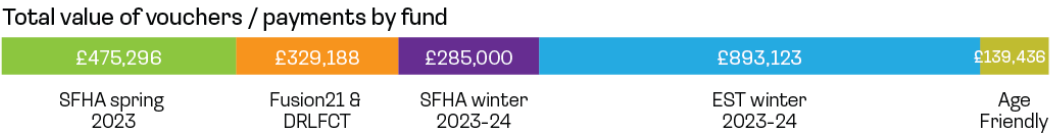
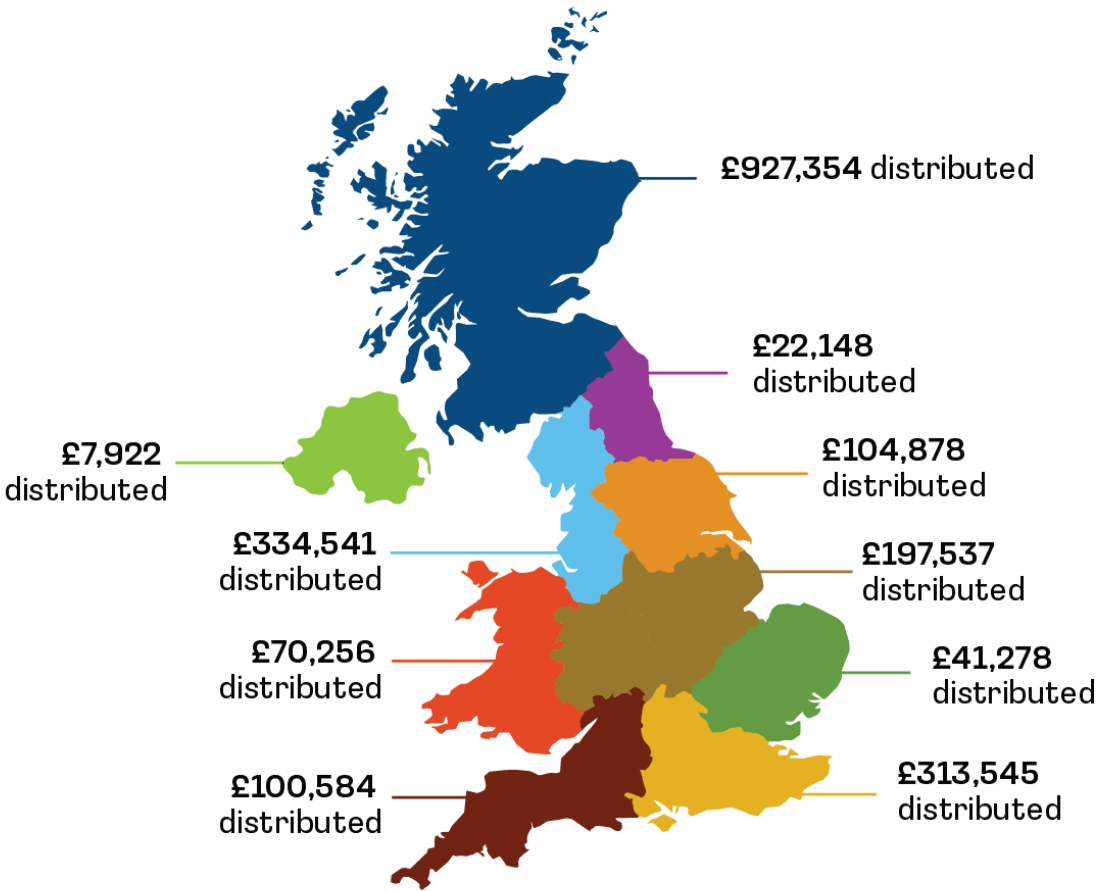
During the year, with their generous support, we were able to deliver both energy vouchers as well as support whole debt write-off for some tenants. Housing providers really appreciate our role in securing and administering hardship support. It enabled resources to get into the direct hands of their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

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



Energy Hardship Funds fuel vouchers distributed 2023-24

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



THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

Health and Housing (HACT Health)

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

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

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

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

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

Insight Tools (HACT Insight)

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

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

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

affordable housing, in Scotland and in England.

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

Digital (HACT Digital)

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

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

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

Retrofit Credits (Net Zero Carbon)

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

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

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

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

Results from the Retrofit Credits Pilot



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

Events, masterclasses and learning

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

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL REVIEW

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

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

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

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

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

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

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

Investment Policy and Performance

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

Pension

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

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

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

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

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

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

HACTHAL

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

INTELLECTUAL PROPERTY

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

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

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

RESERVES POLICY

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

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

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

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

Assessment of Reserves Needs

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

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

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

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

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

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

Fundraising

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

Safeguarding

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

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

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

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

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

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

PLANS FOR THE FUTURE

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

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

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

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

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

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

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

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

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

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

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

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

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

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

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

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

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

Remuneration policy for key management personnel

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

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

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

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

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

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

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

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

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

Statement as to disclosure to our auditors

In so far as the Trustees are aware:

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

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

AUDITORS

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

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

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

.....
Gavin Cansfield
Chair

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

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Independent Auditor Report

For the year ended 31 March 2024

Other Information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Independent Auditor Report

For the year ended 31 March 2024

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Capability of the audit in detecting irregularities

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Independent Auditor Report

For the year ended 31 March 2024

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

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

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

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

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

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

(incorporating an income and expenditure account)

For the year ended 31 March 2024

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

All of the above results are derived from continuing activities.

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

The attached notes form part of these financial statements.

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

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

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

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

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

Gavin Cansfield
Chair

Kalwant Grewal
Treasurer

The attached notes form part of the financial statements.

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

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

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

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

b) Analysis of cash and cash equivalents

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

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

1 Accounting policies**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

Going concern

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

Income

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

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

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

Donations of gifts, services and facilities

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

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

Interest receivable

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

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

1 Accounting policies (continued)**Fund accounting**

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

Expenditure and irrecoverable VAT

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

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

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

Grants payable

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

Allocation of support costs

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

Tangible fixed assets

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

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

Intellectual Property

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

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

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

Investments

Investments in the subsidiary company are held at cost.

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

1 Accounting policies (continued)**Debtors**

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

Cash at bank and in hand

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

Creditors and provisions

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

Pensions**Pensions: defined contribution**

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

Pensions: defined benefit

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

Financial instruments

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

Operating leases

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

3 Income from donations and legacies

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

4 Income from charitable activities

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

Charitable projects

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

Total charitable activities

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

6a Analysis of expenditure - current year

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

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

6b Analysis of expenditure - prior year

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

7 Net expenditure for the year

This is stated after charging :

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

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

Staff costs were as follows:

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

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

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

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

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

Staff numbers

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

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

9 Taxation

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

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

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

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

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

11 Tangible fixed assets

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

All of the above assets are used for charitable purposes.

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

12a Investments

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

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

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

Retained earnings

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

The aggregate of the assets, liabilities and reserves was:

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

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

12b Parent Charity

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

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

13 Debtors

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

14 Creditors: amounts falling due within one year

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

Deferred income

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

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

15 Analysis of net assets between funds - current year

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

Analysis of net assets between funds - prior year

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

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

Restricted funds purpose:

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

17 Legal status of the charity

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

18 Related party transactions

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

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

19 Operating lease note

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

20 Defined benefit pension scheme liability

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

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

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

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

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

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

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

Reconciliation of opening and closing balances of the defined benefit obligation

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

20 Defined benefit pension scheme liability (continued)

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

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

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

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

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

Defined benefit costs recognised in Other Comprehensive Income (OCI)

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

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

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

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

Key Assumptions

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

THE HOUSING ASSOCIATIONS' CHARITABLE TRUST

Notes to the financial statements

For the year ended 31 March 2024

20 Defined benefit pension scheme liability (continued)

SCHEME: The Pensions Trust – The Growth Plan

Present values of provision

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

Reconciliation of opening and closing provisions

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

Income and expenditure impact

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

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

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

20 Defined benefit pension scheme liability (continued)

Deficit contributions schedule

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

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

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

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