LANGLEY TRUST

England & Wales · Charity number 1146304

Details

Other names	LANGLEY HOUSE TRUST, LANGLEY TRUST, Langley Trust, N/A
Status	Registered
Legal form	Charitable company
Company number	07888191
Registered	2012-03-08
Register	View on the Charity Commission register

Contact

Address	3-4 The Square Manfield Avenue Coventry CV2 2QJ
Phone	02476587350
Email	info@langleyhousetrust.org
Website	www.langleyhousetrust.org

Activities

Objects: To spread and sustain Christianity among, to advance the education of, and to rehabilitate and promote the mental and moral improvement of men and women who are prisoners, ex-offenders or who have been, or are at risk of committing a criminal offence by such means as the Trustees think fit including (without limitation) the provision of social housing and other support services.

Activities: The Trust provides housing, support and care for ex-offenders and those at risk of offending helping them to live crime-free and thrive. It operates from over 100 properties, including registered care homes, hostels and community housing, situated in over 20 different local authority areas throughout England. The Trust also provides floating support and extra care housing.

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** Education/training, Accommodation/housing, Religious Activities, Other Charitable Purposes
- **Who:** Other Defined Groups

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£21,483,000	£20,592,000	£9,779,000	323
2024-03-31	£20,683,000	£20,701,000	£8,869,000	313
2023-03-31	£18,583,000	£19,046,000	£9,043,000	302
2022-03-31	£16,349,000	£16,298,000	£9,553,000	292
2021-03-31	£15,794,000	£14,884,000	£9,436,000	260

Trustees

Name	Role	Appointed
Richard Montgomery	Chair	2022-07-13
Amanda Coyle		2018-05-16
Charles Anelay		2024-10-24
David Stokes		2024-07-18
Evelyn Weston		2022-07-13
HERBERT MARK CURRAN		2023-07-12
Johannes Etten		2024-07-18
Linda Faith Trew		2020-10-22

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LANGLEY TRUST

England & Wales - Charity number 1146304

Accounts

Annual Report and Financial Statements

For the 12 months ended 31 March 2025

Company No. 07888191 • Charity No. 1146304

LangleyTrust.org

Key Individuals

PATRONS

The Rev. Jonathan Aitken
The Rt Rev. Rachel Treweek

FELLOWS

Elfrida Calvocoressi
Anthony Howlett-Bolton
David Lane (deceased February 2025)
Tony Pearson CBE
Ademola Oshodi
Professor Chris Lewis CBE
George Calvocoressi
Caroline Eady
Malcolm Hayes
Andrew Newell
Philip Hilton

TRUSTEE BOARD MEMBERS*

Chair
Ruth Williams R.N. DipN (Lon), MSc

Vice Chair
Stephen Cooper ACIB

Other Trustees
Andrew Newell MBA, FCIB (resigned 23 April 2024)
Sandra Keene CBE, BSc, DSW
Amanda Coyle MSc, MBA, TksA
Stephen Lawes BA, ACA (resigned 31 August 2024)
Linda Trew PGDip, CIOF (Cert)
Lyn Weston BA (Hons)
Richard Montgomery MBA, BSc
Anne Ranasinghe MBA, ACMA, MSc, BSc (Hons), (resigned 24 June 2024)
Mark Curran LLB
Charles Anelay BSc, MSc, MCIOB (from 24 October 2024)
David Cooke BSc (from 18 July 2024)
David Stokes BSc (Hons) (from 18 July 2024)
Johannes Etten BA, MA (from 18 July 2024)

EXECUTIVE TEAM

Chief Executive
Tracy Wild MA BSc (Hons), CIH

Director of People
Bernadette Fitzharris BA (Hons), FCIPD

Director of Finance & Business Services
Simon Herbert ACA (resigned 1 November 2024)

Richard Wilson FCMA, MA (Cantab) (from 30 September 2024)

Director of Operations
Chris Metcalfe, ILM Level 5 Strategic Management

Director of Care and Quality
Stella Wint BA (Hons)

Director of Chaplaincy Services
The Rev. Preb. Andy Rider, MA

COMPANY SECRETARY

Simon Herbert ACA (resigned 1 November 2024)

Richard Wilson FCMA, MA (Cantab) (from 24 October 2024)

*The Trustees are Directors and Members of the Company within the meaning of the Companies Act. The Executive Team are neither Directors nor Members of the Company under the definition of the Companies Act.

contents

Chair's Review	4
Strategic Report	8
Financial Review	19
Board's Responsibility Statement	24
Trustees' Report	25
Statistics	33
Independent Auditors' Report to the Members of Langley House Trust	34
Statement of Comprehensive Income	37
Statement of Financial Position	38
Statement of Changes in Reserves	39
Cash Flow Statement	40
Notes to the Financial Statements	41

Chair's Review

I am delighted to present this year's Annual Report for Langley Trust. The purpose of this report is to share a clear summary of who we are as an organisation, to celebrate what we have done during the past year, and to set out what we will do in the coming year.

As I review 2024-25, I am struck by the range of success stories that have contributed to an outstanding year of achievements across Langley Trust. The Trust has had further external validation this year endorsing the quality of our work; Kadesh, our new service in Kent, opened a year ago and received 'A' overall for Medway's Quality Assessment Framework Assessment in May 2024. In July 2024 the Care Quality Commission inspected House of St Martin, our registered care home in Taunton, and gave it a 'Good' rating. This means that all of Langley's registered care/extra care services are now rated as 'Good', except our most recently opened care home, The Shrubbery, which has yet to be inspected. This is a testimony to our staff and volunteers at the services and in the central offices.

This year we won the Investors in People's Award for 'Best Culture'. Langley Trust was also shortlisted for the Charity Times Award for 'Equity, Inclusion and Diversity'. The Trust achieved Enabling Environments accreditation for our Independent Approved Premises (IAP) in Bradford and secured Cyber Essentials Plus accreditation. These diverse achievements illustrate how Langley's strategic priorities of developing a high-performing culture and staying focused on our mission and values are being met.

Internal achievements have included the continued improvement of access to learning and development for all our staff by the launch of the Langley Academy in December 2024. As part of the drive for a high performing culture with recognised values and mission, the Trust surveyed staff to understand their experience of wellbeing at work. We were encouraged by strong satisfaction with the way Langley promotes and supports wellbeing at work from the 72% of staff who engaged in the survey.

Our Equality, Diversity and Inclusion agenda has gained momentum with the launch of a fourth Staff Network in 2024 to support colleagues who identify as LGBTQIA+ and we launched a fifth network in 2025 to support male colleagues specifically. Staff Encounter Days were developed by the Chaplaincy directorate during the past year to offer staff an opportunity to explore the Christian faith, and the first Client Encounter Day has been delivered in March 2025, with 20 clients participating. Our People Conferences in June 2024 were a highlight of the year and offered opportunities for us to thank and celebrate our dedicated staff and volunteers for the work they deliver.

As Langley continues to grow it has been important to ensure that the organisation has a robust infrastructure. I am especially pleased with the work undertaken by the Chief Executive and directors to establish Langley's Senior Leadership Team; this group consists of the Heads of functions and is well-placed to support the Executive Team, giving the Executive Team more time to focus on the delivery of our strategic priorities.

This year three of our longstanding trustees left after completing their tenure; I am very grateful for their service to the Board. I am delighted to have confirmed four co-optees as new trustees in 2024. Their respective specialisms enrich the Board and will enable us to navigate the times we are in. Our Chair of the Audit, Risk and Compliance (ARC) Committee

led a business risk review to assess risks inherent within our current business model and update Trustees. An Assets and Growth Working Party was established in 2024, which allows both the Trustees and Executive Team to examine issues relating to the management of our assets and how we best grow in more detail, leading to informed decision-making.

I am delighted that we are increasing our focus on the Sustainability Agenda for the coming year, and I look forward to seeing our 'green' plans unfold further within our services and teams.

As 2025/26 takes hold, I am grateful to be leading an organisation that is financially secure and still able to focus realistically on business growth despite the impact of the external economic environment. The need for our accommodation and care home provision, is increasing. Our reputation as an effective provider of safe services, where people's lives are transformed, stands us in good stead.

We aspire to secure a new care home, purchase another building, open a brand-new service, and expand some of our existing contracts this coming year. The Trust has grown in recent years and the need for stability in the support functions is vital. Therefore, a further focus for the coming year is to strengthen our resource within key central areas of the business, such as HR and Finance.

Langley's Christian ethos and mission remain central to our work to see lives transformed. In keeping with our values, we welcome clients and staff of all faiths and none. I am proud to lead such an organisation and appreciate those who support our work in so many ways; I am thankful for our staff, volunteers and supporters who contribute their skills, prayer, time and finances to make Langley's impact real for our clients.

On behalf of the Board, I thank you.

Ruth Williams
Chair of the Board
31 July 2025

CLIENT STORIES

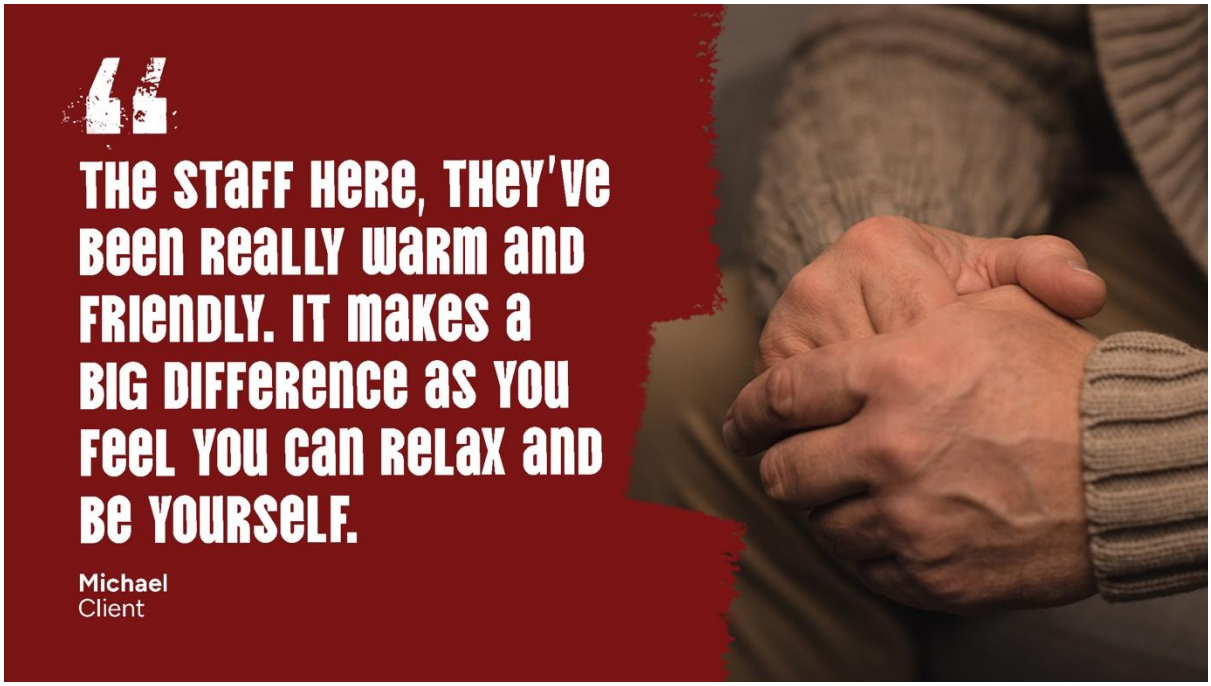
David's story

"The night before I met our chaplain, I was going to throw the towel in with my life. I've had so much trauma in my life, some of it is my fault and that night I was done, and I planned it. I saved all my medication up and I was going to do it that day."

Before arriving at Murray Lodge, David's life was filled with trauma, anger and destructive choices. Surrounded by crime and chaos, he struggled to break free from a cycle that had defined him for years. But everything changed when David met Sarah, the volunteer chaplain at Murray Lodge. She spent time listening to David, praying with him and he found hope, faith and a sense of peace he had never known in a moment of deep despair.

When asked what was different in his life now, David answered: "Calm, calmness. I've got calmness all around me now. I've had to step away from my friends, from my old friends who I grew up with. My life hasn't been a bed of roses, but I haven't looked back. I go to church. I do an addiction meeting on Wednesdays with others...I do voluntary work for my church; I work in the garden. I help the lads at Murray Lodge as much as I can. I met two lads there who didn't know how to cook. Now that's a red flag for me. If you can't survive in cooking and feeding yourself, how are you going to move on? So I started some cooking classes with them in the kitchens there. Before, I wouldn't care if you didn't eat...but now I do, and that's a massive change within me."

Michael's story



Michael was in prison for 23 years before he came to the Shrubbery. 'Literally put out of the gate', standing there with all his property, no wristbands anymore, no prison guards, Michael looked around the carpark and saw the Langley staff who had come to meet him at the prison gate. They had brought him wine gums, because he had shared during a meeting with them that once released, that's the first thing he'd like to go to the shops to buy.

Michael arrived at the Shrubbery and was happy with his room, but his head was still in prison. In those early weeks and months, he would keep to himself in his room and still refer to it as his cell. After so long in custody it took time for Michael to adjust to being around people, and following up on things like Universal Credit applications, enrolling with a GP and other bureaucratic processes were almost too much. 'I get overloaded', Michael explained, 'if there's too much information coming at me...I didn't know what was going on.' Fast forward a few months and Michael regularly volunteers at a homeless shelter; he feels his confidence in being around people is being restored. He wanted to be able to help people and recognises that 'this place has given me the opportunity'. Langley is all about seeing beyond someone's past mistakes and supporting them into opportunities to have a better life, a transformed life.

STRATEGIC REPORT

ABOUT US

Langley Trust is a Christian charity providing services to support people with convictions. For over 65 years we have been helping people with convictions to transform their lives and thrive, promoting rehabilitation, preventing crime, and reducing re-offending.

The Trust is motivated by its basis of Christian faith, which is centred in Christ and His teachings, to support our clients, not by proselytizing them, but by having a living ethos where all individuals are seen as people of worth and capable of change. We believe everyone deserves another chance. Since 1958 we have earned an enviable reputation for reducing re-offending with proven results.

We work with adult men and women with convictions. We are particularly skilled in working with people who are deemed 'hard to place' and those with complex needs – an outworking of our values below. This includes individuals who are subject to MAPPA (Multi-Agency Public Protection Arrangements).

During 2024/25 Langley Trust worked with over 1,100 clients who needed supported housing services, complex care services, or advice on finance, benefits, debt or accommodation advice.

OVERARCHING VISION, MISSION, AND VALUES

Our vision is of a society where no-one is unfairly disadvantaged because of their past.

Our mission is to support people with convictions so that they reintegrate into society, live crime-free and thrive.

Langley Trust will always see accommodation as a core part of its offer to the Criminal Justice sector. We know that without suitable accommodation no other rehabilitative intervention is likely to be effective. Ensuring prison-leavers have an appropriate place to live is key to seeing them able to lead crime-free lives in the future.

We refreshed our values in 2023, and these are now embedded into Langley life and staff supervisions. Being Christ-like is our overarching value, with the other four emerging from our aspiration to be Christ-like.

1. **Christ-like** – We seek to build a culture that reflects Jesus' teaching & His love.
2. **Responsible** – We are diligent in all we do and take care of all people within Langley.
3. **Genuine** – We are honest, principled, and trustworthy.
4. **Respectful** – We respect all people, act inclusively, and engage widely.
5. **Visionary** - We are aspirational, enabling change, hope and flourishing throughout Langley.

Langley Trust Values

Christ-like

Responsible

Genuine

Respectful

Visionary

Bible References

Philippians 2.5 • Hebrews 6.11 • 2 Corinthians 8.21
Matthew 7.12 • Jeremiah 29.11

Langley

STRATEGIC OBJECTIVES

The Trust's strategic objectives are:

Core Strength - To ensure we stay true and strengthen our core mission (creating sustainable transformation in client's lives), our values and ethos in all we do. To retain and enhance Christ at the centre of our work. To be nationally known and locally loved both as a trusted partner and an excellent employer to our people.

Growth – We are committed to developing and growing current models of delivery that we know change lives and are financially viable. We will strengthen the financial foundation to allow growth and maintain safe reserves. And we will work at becoming nationally known and locally loved within our target audiences.

High Performing Culture – To continue to develop and modernise internal processes, systems, procedures, and structures to ensure they are fit for purpose and future-proofed. To invest in and develop our people. To ensure we align closely the forecasting and actual performance outcomes. We recognise that we have within our reach God-given resources to achieve this.

It is anticipated that Langley will continue to grow and develop new services, providing support for people with convictions, in the following groups:

- Complex needs
- Elderly clients (including end of life care and those with long-term health conditions)
- Mental health issues (including enduring conditions)
- Learning disabilities
- Disabled access
- Neurodivergent needs
- Women
- High risk of harm clients

OUR SERVICES

We provide accommodation for people with convictions in 20 geographical locations in both urban and rural settings. The accommodation includes hostels, dispersed supported housing, registered care homes and dispersed accommodation with extra care provision. We also manage an Independent Approved Premise (IAP) to deliver a contract for His Majesty's Prison and Probation Service (HMPPS), and provide a Finance, Benefit and Debt Advice service to people in custody at HMP Fosse Way.

Our housing support services enable people to maintain a tenancy, develop their budgeting skills, access and manage support for addictions and mental health issues, engage with key community services (e.g. GPs and advocacy services), access education and develop their employability skills, which help clients move to greater independence .

Our residential care and extra-care services provide high levels of support for people with complex mental and physical care needs, offering one-to-one support, 24/7 staff supervision, specialist psychiatric and psychological support for mental health issues and the development of independent living skills where required. Our registered care homes provide placements for individuals coming from medium secure units, who require step-down services and are under mental health sections.

Each placement is individually assessed to ensure that individuals receive the correct level of care and support they require, responsive to changing needs.

LANGLEY TRUST APPROACH

Our approach is pragmatic, responsive, and tailored to each person we work with. At the heart of our approach is the belief that everyone deserves another chance, and can change, regardless of their history. Consequently, we have a track record of success in working with people who have previously failed in other placements.

Our approach is:

Person-centred – with a focus on recovery and independence. Care and support are shaped around the distinct needs and aspirations of each person. We support people to live as independently as possible, develop living and financial skills, access training, education and employment opportunities, and participate in local community life.

Evidence-based – trauma-informed approaches are being embedded in all levels of the organisation; Positive Behaviour Support (PBS) and the Good Lives model are further evidence-based intervention approaches being used with our clients across the Trust. We are working towards all of our care services being recognised as Enabling Environments under the Royal College of Psychiatrists standards, which focus on creating positive and effective social environments for clients and staff to flourish

within. Two services have already achieved this standard, and a number of other services are working hard to achieve accreditation.

Respectful of privacy and dignity – we take the privacy and dignity of our clients seriously. We empower people to make their own choices wherever possible.

Risk-management focused – our risk assessments and risk management plans are comprehensive and responsive to changing risks and needs. We work in close partnership with stakeholders involved in the supervision of clients including the Probation Service. Safeguarding is of primary importance, and we have comprehensive policies and procedures in place in relation to both the safeguarding of vulnerable adults and children.

Committed to partnership working – in addition to working with statutory agencies to manage risk, we also work with education and training providers, voluntary organisations, businesses, and faith groups to provide volunteering, education, training, and employment opportunities for our clients. We are committed to working in partnership to maximise resources, share good practice and ensure the best possible outcomes are achieved.

Responsive to client input – creating ownership and autonomy, our National Consultative Group (NCG) provides a forum for clients to meet with senior staff and Trustees. Co-chaired by a trustee and a client, it meets three times a year and agendas include reviewing policies and procedures and discussing topical subjects that affect clients' everyday lives. We have a range of formal and informal feedback options including an annual satisfaction survey, comment cards and client forums (regional and national). All formal feedback is monitored and used to improve services at a local and national level. The scrutiny section of the NCG was established in February 2024 and has been led by client representatives this year. We have a client engagement manager whose role is to ensure that clients are involved in co-production at all levels of the organisation, and that the client voice is fed into all major decisions.

Focused on Equality, Diversity and Inclusion – our Equality, Diversity and Inclusion Policy covers all nine of the protected characteristics recognised by the Equality Act 2010. During the year we have delivered an Equality, Diversity and Inclusion (EDI) calendar, drawing attention to particular themes each month. We have 4 staff networks representing women, ethnically diverse groups, the younger workforce and the LGBTQIA+ community. During 2025/26 we will launch our fifth staff network for men.

REVIEW OF 2024/25

During the past year the Trust has continued to focus on the charitable aims established when it was founded over 65 years ago, namely, to seek to support and care for clients, helping them to reach their full potential and become positive contributors to society. To meet these aims, the Trust has supported more than 1,100 clients as follows:

1. Provided 97 beds in registered care homes and 361 rooms in supported accommodation, a total of 458 residential clients at any given time, with a suitable, safe place to live.
2. Accommodated a total of 736 clients in supported housing since April 2024, of which 298 were new lettings.
3. Provided specialist advice to 250 clients through our prison-based service delivered in HMP Fosse Way, addressing issues such as gambling, debt, and accommodation needs. We supported clients dealing with over £800,000 of debts.
4. Worked with 21 participants through our accredited therapeutic programme, Challenge to Change programme at HMP Lancaster Farms prior to the ending of funding in July 2024.
5. Enhanced the impact of client participation in the National Consultative Group (NCG) with a client co-chair and by developing the scrutiny agenda item, which is client-led.
6. The data we routinely collect shows that the reconviction rate for our clients remained within the target of 3% whilst they were with us during 2024-25.

In addition to the above we further put our Christian faith into action:

- Chaplains engaged at least 18 clients, across 5 services, in a variety of Christian basics courses, including Alpha, Lent courses, 'First Steps', a Beatitudes course 'Ninefold Path', the Bible Society course; a Christian characteristics study and a house group.
- We delivered Langley's first 'Encounter Day' for clients where 20 clients chose to explore the Christian faith in more detail.
- 19 staff took advantage of the opportunity to explore the Christian faith through our online Alpha course.
- Introducing 'Encounter Days' for staff and volunteers.
- In addition, our managers, senior leaders, Trustees and Chaplains were recharged and inspired to serve our clients, at the largest ever Langley spiritual retreat.
- Continuing to offer senior managers spiritual development through 3 personal reflection days and a 3-day Christian Leadership Conference.

In addition to our client-facing achievements, we have continued to invest in and develop other key areas of the Trust as follows.

Improved Processes and Efficiency:

- Developing and launching the Workforce Management System, transforming the way shift patterns, and staffing levels are managed across our services.
- Automating our expenses system, enabling staff to lodge expense claims via an app.
- Transferring to a new, more efficient payroll provider.
- Developing and launching an accessible online learning and development platform, which gives staff access at any time to a wide range of mandatory and supplementary learning and development courses, including material that supports wellbeing.

Governance

Langley continues to review and develop its governance to ensure that it is appropriate to the current needs of the organisation. Key governance developments during 2024-25 included

- The appointment of four new trustees.
- A review of our approach to managing risk led by our Audit, Risk & Compliance Committee Chair.
- Establishment of and Asset and Growth Working Party to support growth.
- Established a Senior Leadership Team to harness the collective experience of Heads of functions and delegate some activity away from the Executive Team to free up capacity at that level.
- Renewed Cyber Essentials Plus accreditation.
- Continued our ongoing programme of Internal Audits overseen by the Audit, Risk & Compliance Committee. Audits carried out in the year were Care Income, Business Plan Stress Testing, Customer Voice, Move On, Fire Safety and Assets.

Awards

We are pleased to have been recognised with the following external awards:

- Winners of Investors in People's 'Best Culture Award'
- Shortlisted for The Charity Times `Equity, Diversity and Inclusion Award`
- Shortlisted for `Best Flexible Benefits Platform` by Employee Benefits Awards

People

Our people are our greatest resource, and we are committed to making their experience at work the best it can be, from the development of efficient systems and processes that support the effectiveness of everyone's work, through to their individual professional development and personal wellbeing at work. In 2024-25 we:

Improved our Staff Proposition:

- Launching Flexible Benefits for all staff via an online accessible platform.
- Introducing an enhanced rate of pay for staff working shifts that fall on Bank Holidays.
- Introducing pension salary sacrifice for eligible employees and made our Life Assurance Scheme contractual.
- Continuing the ITOL accredited Management Development Programme, through which the Trust seeks to develop and retain in-house talent.
- Retaining volunteer professional coaches, who provided coaching opportunities for 7 staff during 2024.

Improved Staff Engagement and Inclusion:

- Securing 72% staff engagement with our MYVoice Wellbeing at Work survey and a high level of satisfaction overall.
- Offering two People Conferences for all staff and volunteers in 2024 which were highly commended by staff and engaged staff with over 160 internal nominations for our People Awards.
- Strengthening our Equality, Diversity and Inclusion (EDI) offer with a particular focus on neurodiversity, launching an accessible meetings guide.
- Launching Langley's Inclusion Calendar for 2025/26, consulting with clients about their preferences as well as with staff groups.
- Supporting our four staff network groups to engage women, the younger workforce, ethnically diverse colleagues and the LGBTQIA+ community.
- Reinvigorating the Staff Engagement Group where elected staff representatives meet regularly with senior leaders to share ideas and feedback.

Quality Assured our People Processes:

- Establishing a Joint Action Group (working party) to ensure our processes and practices comply with the new duty under the Equality Act 2010, to prevent sexual harassment.
- Introducing Fair Treatment Panels and the Freedom to Speak Up Guardian role.

GROWTH DURING 2024/25

As a business we continued to show income growth, with income increasing overall by 4.6% during 2024/25.

Care income has seen a significant increase due to the ramp up of clients at The Shrubbery, over the 18 months since its relocation to larger premises. The occupancy levels of our care services have exceeded our projections, which enables us to start the 2025/26 year strongly. Due to the strong demand for our care services, we are continuing to explore opportunities to expand our capacity through additional premises.

The former Shrubbery site was relaunched in March 2024 as a supported housing service named Kadesh which has proven successful, gaining the support and confidence of local strategic partners. By re-configuring this service, we secured 17 additional Supported Housing bed spaces.

Whilst some growth is represented clearly in income, other services demonstrate growth in different ways that support Langley's mission. For example, the impact of Langley's contract within HMP Fosse Way, which has brought opportunities to support over 250 prisoners managing over £800,000 of debts during 2024/25, strengthening our reputation as an effective provider and delivering our core mission.

Langley's Independent Approved Premises has established a good reputation during 2024/25 and met its performance targets for the Ministry of Justice, which strengthens our position as we bid for additional Independent Approved Premises.

We were delighted to have been awarded a 5-year contract extension by Oxleas NHS Foundation Trust to continue our Mariposa service; Langley has been a trusted partner in this service since December 2020.

Creating capacity for growth has necessitated the release of stock that is no longer congruent with our strategic priorities; during 2024/25 we were able to hand over the Leonard Stocks hostel in Torbay to the local council, concluding a careful exit plan.

STRATEGIC FOCUS FOR 2025/26

The Trust remains in robust financial health with a strong balance sheet and a determination to proactively expand the reach of the services provided. There continues to be a need for the work the Trust undertakes, and we remain well-placed to meet those increasing needs.

Within the next twelve months, the Trust aspires to:

- Explore potential for purchase of a new care home in the northwest of England to replace a current facility that is leased. This will allow for longer term investment in environmental issues as well as expand the number of beds.
- Purchase and open a new property to develop a new care service in the northeast of England.
- Develop a 10-year acquisition plan.
- Agree a 5-year environmental implementation plan.
- Increase the number of supported housing units.
- Win at least one significant contract for service delivery to enhance our current offer to our stakeholders.
- Develop a Digital Transformation Plan to maximise efficiency across the Trust, enhancing the quality of service to our clients and to ensure compliance with all regulatory requirements.
- Establish a Mission Review Group to measure the spiritual impact of the Trust.
- Increase Langley's social media presence and impact.
- Support all care services to achieve Enabling Environments accreditation.
- Involve clients meaningfully in policy and procedure review processes.
- Ensure written documentation for clients is accessible, in easy read and video formats.

Our people continue to be the most valuable resource the Trust has. Now, more than ever, it is vital that the Trust has a strategy to attract and retain the right kind of staff. To that end, the Trust will:

- Continue to embed the Langley values and culture.
- Manage change well, developing a Change Management Toolkit.
- Develop our approach to talent acquisition and retention.
- Review our reward and recognition model.
- Further develop our well-being offer to support all our people.
- Introduce diverse interview panels.
- Widen our accredited courses offer, including apprenticeships.
- Achieve re-accreditation of Investors in People Gold standard.

THANKS

Langley Trust has loyal supporters, who generously support our work. We are so grateful for their ongoing support. This support allows the Trust to invest in new growth and new initiatives, which in turn improve the lives of our clients.

We are extremely grateful for all those who have generously supported our work – individuals, churches, charitable foundations, and businesses. Their support has been invaluable in helping to sustain and enhance the services we provide in challenging times. We would particularly like to thank the AS Trust for their ongoing support of our work and all those trusts and grant-making bodies who have supported our work.

We would like to especially thank the families of those who kindly left a legacy in support of our work. These gifts are gratefully received, and those who remembered us in their wills have been remembered in our prayers; their generosity helps us in building a better future for our clients to live crime-free lives.

The importance of having these funding streams cannot be underestimated; they enable us to respond to local needs and to be more flexible in our support approach. This enhances our core services and makes a significant difference between managing a problem and transforming someone's life for the future.

We are thankful to all our volunteers for the value they add to our work and the difference it makes to the lives of our clients. We would also like to thank our staff, who are committed to changing the lives of those we work with and who often go the extra mile to ensure our work makes a difference.

OUR PARTNERS

Langley is grateful to colleagues in partner agencies and organisations including Homes England (previously the Homes and Communities Agency), the Ministry of Justice, His Majesty's Prison and Probation Service, Supporting People Teams, Social Services, the Police, Local Authorities, National Health Service Trusts, Integrated Offender Management Teams, Police and Crime Commissioners and all those who work alongside us to help people to live crime-free.

The Trustees also acknowledge with gratitude those partner organisations from whom we lease property including: BPHA, Cheltenham Borough Council, Coventry City Council, the Methodist Church in Great Britain, Milnrow Properties, MHS Homes, Places for People and Your Housing.

Financial Review

A summary of the five-year financial performance is as follows:

Year	Income £'000	Operating Costs £'000	Operating Surplus £'000	Operating Surplus %	Net Surplus £	Net Surplus %
2020-21	15,512	14,734	778	5.0%	977	6.3%
2021-22	16,084	16,119	(35)	(0.2%)	60	0.4%
2022-23	18,274	18,670	(396)	(2.2%)	(383)	(2.1%)
2023-24	20,291	20,601	(310)	(1.5%)	79	0.4%
2024-25	21,231	20,392	839	4.0%	910	4.3%

The Trust had a strong financial performance in 2024/25, posting an operating surplus of £839k compared to an operating deficit of £310k in 2023/24. This was the result of an increase in income of £939k to £21,231k and a decrease in operating expenditure of £209k to £20,392k.

The largest contributor to income growth was achieved by an increase in care income of £989k (10.9%) which was predominantly from the ramp up of care clients at The Shrubbery following its move to enlarged premises in late 2023. Social Housing Lettings increased by £488k (7.5%), but this was more than offset by reductions in other government contracts of £546k due to closure of Lancaster Farms in 2024/25 and the ending of the Ixion contracts in 2023/24.

The most significant contributions to the reduction in operating costs were

- the rollout of new shift patterns and digital workforce management resulting in a reduction in spending on agency staff by £550k (39%) from £1,424k in 2023/24 to £874k in 2024/25. Whilst this saving was offset by an increase in the costs of employed staff by £994k, our overall labour costs (including agency staff) fell from 59.9% of income to 58.6% of income demonstrating improvement in our efficiency of using our staff.
- £520k reduction in the cost of energy from £1,200k in 2023/24 to £680k in 2024/25 due to falling unit costs and energy efficiency initiatives to reduce consumption.

The net surplus was £910k in 2024/25 compared to £79k in 2023/24. Interest income, investment gains and gains on disposal of fixed assets totalled £271k which was offset by

the final 2 grant instalments, totalling £200k paid to Clean Sheet following their separation from the Langley House Trust Group in 2023.

Fixed assets reduced from £10.30m to £7.91m during the year, primarily due to the disposal of the Leonard Stocks Centre to Torbay Council and the disposal of the Trust's investment portfolio. Long-term creditors reduced from £2.68m to £1.38m, primarily due to the disposal of the Homes England grant liability associated with the Leonard Stocks Centre to Torbay Council. This was offset by the drawdown of a mortgage of £490k with Kingdom Bank associated with the purchase of a new social housing property in South London.

The Trust's cash balances increased by £1.46m to £4.10m, putting the Trust in a strong position to fund growth in our operations in 2025/26 and beyond. Total reserves increased from £8.87m to £9.86m.

KEY PERFORMANCE INDICATORS (KPIs)

The Board used 10 KPIs to monitor the delivery of the Trust's strategic objectives. The range of KPIs includes key metrics from all areas of the Trust – operational, financial and people. The KPI performance report is a standard item that is reviewed by the Board at each meeting.

In addition, the KPI's and a fuller range of other performance indicators are reviewed at each relevant committee meeting, ensuring that all of the key metrics for the Trust are visible and can be interrogated by Committee members.

All KPI's form part of the monthly reporting to the Executive Team, allowing for further scrutiny and accountability. This forum is important as it allows for collaborative working to ensure that the Trust meets agreed performance levels in every area.

VALUE FOR MONEY (VfM)

Our Approach to Value for Money

As a charity and recipient of funding from both local and national government bodies, the Trust recognises that it is accountable to its supporters, funders, clients, and staff for the money it receives. The Trust believes that the services it provides deliver Value for Money to society as it works with a complex client group and we demonstrably reduce the risk of our clients re-offending. However, this value is difficult to fully quantify.

The Trust is committed to making sure it gets the best value for the money it spends and deliver services that represent value for money to wider society. The Trust continually seeks improvement its economy, efficiency and effectiveness. Examples of this in the past year include:

- Following a flood in the basement at the Knole we procured refurbished fridges and freezers at a better value than buying brand new but still having a guarantee.
- An online expenses system has been launched making processing of expenses more efficient for staff and the finance team.
- Knole - Number courses provided free by the local authority and then the clients get a free gym session afterwards. Healthy mind, healthy body.
- At Kadesh we use recycled wood to create benches, helping clients to develop skills and reducing our need to purchase garden furniture for the services.
- A review of IT suppliers identified additional charity discounts available

Value for Money Performance During the Year

The Trust's performance against the Value for Money metrics defined in the Regulator of Social Housing's Value for Money Standard is set out in the table below:

		2024/25	2023/24	2022/23	2021/22	2020/21	Direction of Travel
1	Reinvestment	4.6%	10.5%	15.8%	5.2%	0.8%	
2A	New Supply (Social Housing)	0.0%	2.4%	2.2%	2.7%	2.1%	
2B	New Supply (Non-Social Housing)	0.0%	0.0%	0.0%	0.0%	0.0%	-
3	Gearing	0.0%	0.0%	0.0%	0.0%	0.0%	-
4	EBITDA MRI Interest Cover	3616%	n/a	n/a	n/a	n/a	n/a

		2024/25	2023/24	2022/23	2021/22	2020/21	Direction of Travel
5	Headline Social Housing Cost per Unit	£13,883	£12,557	£10,910	£10,578	£10,429	
6A	Operating Margin (Social Housing)	5.4%	(3.4%)	(7.5%)	(6.4%)	(7.1%)	
6B	Operating Margin (Overall)	4.0%	(1.5%)	(2.2%)	(0.2%)	5.0%	
7	Return on Capital Employed (ROCE)	7.5%	(2.5%)	(3.4%)	(0.3%)	6.4%	

For 2024/25 The Trust focussed on increasing the utilisation of the capacity already in place, particularly in care services and developed no new social or non-social housing in our ownership (metrics 2a and 2b). This is also reflected in the low level of reinvestment (metric 1) in 2024/25. The Trust plans to develop new units in future years.

In 2024/25 the Trust did draw down a mortgage with Kingdom Bank, however our gearing (metric 3) remains zero as our cash holdings exceed the debt level, meaning that the Trust has no net debt. Our interest cover (metric 4) is measurable, and very high due to the modest level of debt held.

The headline social housing cost per unit (metric 5) rose again in 2024/25 due to inflationary pressures, particularly on rent paid and staff costs. This also reflects challenges with bad debt, reflecting the challenging economic environment for our clients and funders.

The Trust is very pleased with its progress on profitability measures, delivering positive operating margin (metrics 6a and 6b) and return on capital employed (metric 7) for the first time in some years. However, sustaining this will be challenging in 2025/26 due to pressures on staff costs due to increases in the National Living Wage and Employer National Insurance Contributions.

Value for Money and non-social housing activity

The Value for Money Standard requires the Board to give full consideration of value for money across their whole business. Where the Trust invests in non-social housing activity, the Board should consider whether this generates returns commensurate to the risk involved and justification where this is not the case.

The Board is satisfied that the investments made in complex need care provision, and the various advice work undertaken with ex-offenders provides real value to the Trust and is essential in enabling the Trust to meet both its charitable objects.

MATERIAL ESTIMATES, CONTROL AND JUDGMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The Principal Accounting Policies set out the Key Judgement Areas within Note 2.

The main judgement areas that have had the most significant effect on the Trust's accounts are:

a. Depreciation and amortisation provisions relating to fixed asset accounting, which are based on estimated useful economic lives of individual assets and apportionment of costs between components of composite assets.

b. Provision for bad debts, which are based on specific balances and past experience of bad debts.

The impact on the Trust's accounts of these estimates for the year ended 31 March 2025 is as follows:

Description	Expenditure	Income
Depreciation	£608k	
Grant Amortisation		£66k
Bad Debt Expense	£619K	

Board's Responsibility Statement

The Board is responsible for preparing the Trustees' Strategic Report and the financial statements in accordance with applicable law and regulations.

The Companies Act 2006 and registered social housing legislation require the Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trust and of the income and expenditure for that period.

In preparing these financial statements the Board is required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Housing SORP 2018 (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statement
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business

The Board is responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the Trust and enable it to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

The Board has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Trust, and to prevent and detect fraud and other irregularities.

The Trustees, who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Trust's auditors are unaware, and each Trustee has taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The strategic report was approved by the Board on 31 July 2025 and signed on its behalf by:

Ruth Williams
Chair of the Board
31 July 2025

TRUSTEES' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Langley House Trust was first registered as a charity in September 1958.

The charity is a company limited by guarantee (Company number 07888191) and registered as a charity with the Charity Commission (Registered Charity number 1146304). The company is registered with the Regulator of Social Housing as a non-profit social housing landlord and registered with the Financial Conduct Authority (FRN716378).

The company is established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount of no more than £1.

The Trustees, who are also Directors for the purpose of company law and who served during the year, are listed on page 2.

The Board is responsible for major strategic decisions and has ultimate responsibility for the conduct and financial stability of the Trust. It seeks to support the Executive Team in a culture of mutual confidence and trust. During the year, four new trustees were appointed following an open selection process based on relevant skills and knowledge.

In addition to the Board members, the Trust has the honorary roles of Patrons and Fellows, who represent the Trust externally in different capacities.

The Board has appointed Committees to support their oversight of the work of Langley. The Committees in place during 2024/25 were the Audit, Risk & Compliance Committee, the People Committee, the Finance & Resources Committee, the Mission Committee, the Quality Committee and the National Consultative Group. These Committees have written terms of reference and report directly to the Board. Each is chaired by a trustee and serviced by Executive Directors.

The Board delegates to the Chief Executive full control over the operation of the Trust within policy. It is the duty of the Chief Executive to further the mission of the Trust and to ensure that management is efficient, effective and runs in accordance with good business practice.

The Board determines the remuneration and the conditions of employment of the staff. The Board monitors and reviews the quality, effectiveness and timeliness of information provided by the Executive Team. The Board has access to independent professional advice if necessary.

The Articles of Association allow the Trustees to deposit or invest its funds. The Board

will secure expert advice, where necessary, before investing funds. In deciding where and how to invest its funds, the Board will always consider suitability of the investment and the overall diversification of the funds it has already invested. The Board has approved a Treasury Management Policy to assist with this area of responsibility.

The Board is content that the Trust complies with the NHF Code of Governance 2020 in the areas in which it applies to the Trust. Any potential conflicts of interest are declared at every meeting. None are declared as existing at the date of this report.

COMPLIANCE WITH THE GOVERNANCE AND VIABILITY STANDARD

The Board confirms that the Trust has met the Regulator of Social Housing's regulatory expectations in relation to the governance and financial viability standard, with the exception of the guidance on the terms for Board tenure. The Board considers that to fully comply with the Code requirements on Board tenure would create unacceptable risks in the short to medium term.

The Trust is currently not a member of a peer benchmarking group and is actively seeking a group which will add value to the Trust's Value for Money agenda.

The Board confirms compliance with all legal and regulatory requirements for companies registered under the Companies Act 2006 and for charities registered under the Charities Act 2011.

FUNDRAISING

The Trust uses several different communication methods to attract and retain support, including:

- direct mail of newsletters and appeals
- emailing newsletters and appeals
- opportunities for regular giving via Standing Order
- use of the website and social media accounts
- opportunities for planned giving through a legacy programme

The Trust seeks to be transparent as to how donated funds will be used and, in all cases, any restriction placed on a donation is strictly followed and fulfilled. In cases where the Trust is unable to use the donation in line with the restriction, the supporter will be contacted and either another use for the funds agreed or the funds are returned.

The Trust maintains and monitors the wishes of each supporter and will only communicate using methods the supporter has given clear and informed consent for us to use. The Trust does not knowingly communicate with young people below the age of 18 or any vulnerable adult. Where we are made aware that such people may be receiving communications from us, our records are amended to prevent further communication.

The Trust has robust systems in place to ensure that where a supporter wishes to cease being contacted, either directly with us or through the Fundraising Preference Scheme, this action can be implemented immediately.

The Trust is compliant with the Institute of Fundraising Code of Practice and received no complaints about its fundraising practices during the year.

STAFF AND VOLUNTEERS

Our people are at the centre of what we do at Langley, and we would not be able to achieve our mission without them. Many staff and volunteers join the Trust because they are committed to the mission and values of the organisation, and they go above and beyond to deliver great services and care for our clients.

As of 31 March 2025, Langley House Trust had 313 employees, including temporary staff, and excluding relief and agency workers (March 2024- 312 comparison). The Trust has increased its staffing by less than 1% over the past year.

The Trust recognises the vital role volunteers play in assisting in the delivery of a high-quality service to clients. Volunteers provide valuable support in a range of different contexts and work alongside our staff enabling us to undertake value-added activities with clients. During 2024-25 the Trust appreciated the support of 88 volunteers working across a range of roles. This includes trustees, Chaplains, professional coaches who supported our staff development, and volunteers working within services supporting client activities and carrying out work around the service grounds.

GENDER AND ETHNICITY PAY GAP REPORTING

The Trust is committed to fair pay and as required we published and reported our Gender Pay Gap Report for this year, reporting the information as at 5 April 2024 by the deadline of 4April 2025. The mean gender pay was 5.7% (2024: 7.0%) representing higher mean hourly pay for males. The median gender pay gap was -0.7% (2024: 0.4%) which reflects an improvement with the median pay for females being higher than males compared to the previous year.

It is not mandatory to measure the ethnicity pay gap; however, we have chosen to report on this measure to identify and address any emerging issues. The mean ethnicity pay gap in hourly pay is 6.0% (2024: 5.0%) lower for ethnically diverse employees. The median ethnicity pay gap is 6.3% (2024: 3.0%) higher for white staff due to the higher number of white staff in the employee population.

We have ongoing plans to monitor, publish and create action plans for the gender and ethnicity pay each year so this continues to support our values within the Trust.

STATEMENT ON THE TRUST'S SYSTEM OF INTERNAL CONTROL

The Board has overall responsibility for establishing and maintaining the system of internal control and reviewing its effectiveness. Trustees recognise that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives, however, the system of internal control implemented by the Trust has been designed to manage key risks and provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance to the Board regarding the preparation and reliability of financial and operational information and the safeguarding of the Trust's assets and interests.

In meeting their responsibilities, the Trustees have adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Trust is exposed. The process adopted by the Trustees in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

1. **Identification and evaluation of key risks –** Management responsibility has been clearly defined for the identification, evaluation, and control of significant risks. There is a formal and on-going process of management review in each area of the Trust's activities. The Executive Team regularly considers significant risks facing the Trust and the Chief Executive is responsible for reporting to the Trustees any significant changes affecting key risks. In accordance with the Trust's Risk Management Policy, the Risk Register is formally reviewed by the full Board at least once a year and the highest risks facing the Trust are discussed at each Audit, Risk & Compliance Committee meeting.

2. **Environment and control procedures –** The Trustees retain responsibility for a defined range of issues covering strategic, operational, financial and compliance issues. The Trust's Articles of Association, policies and procedures cover issues such as delegated authority, segregation of duties, accounting, health and safety, data protection, fraud, and whistleblowing. The Trust also has an extensive range of policies and procedures relating to the safe management of the client group with which it works to minimise the risk to clients, staff and the wider public.

   The Trust also holds an Asset and Liability Register in line with regulatory requirements, which provides a collated view of the Trust's assets and contract liabilities. The integrity of the register is audited and reported to the Executive Team on a quarterly basis.

3. **Information and financial reporting systems –** The Trustees review and approve the annual budget and the 5-year financial plan for the Trust. Financial reporting procedures include detailed management accounts and forecasts, which are reviewed by the Executive Team and are presented to the full Board of Trustees monthly. The Board also reviews key performance indicators to assess progress

towards the achievement of key business objectives, targets, and outcomes at each Board meeting.

4. **Monitoring and corrective action –** A process of regular management reporting on control issues provides assurance to senior management and to Trustees. This includes ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and delivery of our services.

The internal control framework and the risk management process are subject to regular review by Internal Auditors, who advise the Executive Team and report to the Audit, Risk & Compliance Committee. A three-year Internal Audit Plan exists to assist in this process and is approved annually by the Audit, Risk & Compliance Committee. Progress against the plan is also monitored throughout the year and the Audit, Risk & Compliance Committee formally reviews the performance of the Internal and External Auditors once a year. The Audit, Risk & Compliance Committee considers internal control and risk at each of its meetings during the year. In addition to Internal Audit, the Executive Team receives assurance on the operation of internal controls through a self-assessment audit toolkit used by the managers of its various services.

The Audit, Risk & Compliance Committee conducts an annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of risk management and control process. The Audit, Risk & Compliance Committee reports on progress to each Board meeting and submits an annual report to the Board of Trustees. In preparing its report, the Audit, Risk & Compliance Committee takes into account the various reports of the Internal and External Auditors, the Chief Executive's Annual Report on Internal Control, other reports from the Executive Team to the Audit, Risk & Compliance Committee and full Trustee Board and inspection reports from the Care Quality Commission, the Regulator of Social Housing and other regulatory bodies.

THE PREVENTION, DETECTION, REPORTING AND RECOVERY OF FINANCIAL CRIME AND FRAUD

The Trust takes fraud and other financial crime seriously. The Trust's Fraud and Prevention of Financial Crime Polices set out management responsibilities to ensure an adequate control system is in place to minimise the risk of fraud and other financial crimes such as money laundering and to ensure a reasonable likelihood of early detection. These policies also state the procedure to be followed in the event of suspected fraud, money laundering or other financial crime, including reporting requirements and any subsequent action to be taken for recovery.

The Trust maintains a register of actual and attempted frauds and thefts. The contents of the register are reported annually to the Audit, Risk & Compliance Committee. During 2024-2025 there were no significant losses identified as a result of fraud. The Trustees confirm that there is an on-going process for identifying and managing significant risks of

fraud and other financial crime faced by the Trust. This process has been in place throughout the year, up to the date of the annual report and accounts, and is regularly reviewed by the Audit, Risk & Compliance Committee.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board, supported by the Executive Team regularly considers the risks facing Langley. Risks are identified and evaluated and appropriate actions to mitigate them are agreed and implemented. The Board has identified the following as the key risks facing the Trust:

- **Financial Viability:** Langley's main sources of income are various forms of government funding and grants. This means that the Trust is therefore at risk from changes in policy on public sector funding and how it aligns to any changes in the Trust's cost base.
- **Property Standards:** Langley faces the risk of properties we hold under rent or lease arrangements not being maintained to the correct standard by their landlords. During the year the Trust employed a new Head of Property with a clear focus on the quality of the housing stock held by the Trust; the role includes overseeing our social housing improvement programme in addition to other property across the Trust, for example our residential care homes and staff offices.
- **People:** Langley needs to recruit, train and retain sufficient staff of the necessary calibre to deliver safe services to the quality our clients expect and deserve. This is a sector-wide challenge, and Langley continues to develop initiatives to make it an attractive employer.
- **Cyber Security:** Langley is increasingly dependent upon ICT systems to operate efficiently and like many other organisations we have observed increasing attempts to breach our security. We continue to focus on maintaining good practice in our cyber security defences and have successfully retained ISO27001 and Cyber Essentials Plus accreditation.

RESERVES

The Trust's Reserves Policy requires that a contingency be held to cover identifiable and quantified risk and to allow the Trust sufficient time to be able to restructure its operations minimising the disruption to clients. The Policy requires this sum to be equal to the sum of

- The average fluctuation in the Trust's cash balance in a month, estimated at £0.4m
- One month of budgeted operating expenditure, estimated at £1.8m
- Contingency for an unplanned operating expenditure such as a building repair, estimated at £0.2m
- 50% of the planned capital expenditure for the year, estimated at £0.4m

This gives a total reserves requirement of £2.8m. The Trust is compliant with this policy. Analysis of the Trust's reserves is shown in the Statement of Changes in Reserves.

EQUALITY, DIVERSITY AND INCLUSION

The Trust's approach to Equality, Diversity and Inclusion is set out in the Equality, Diversity and Inclusion Policy.

The Trust understands the vital role that Equality, Diversity and Inclusion plays in creating an environment in which our staff, volunteers and clients can reach their full potential. We appreciate and celebrate difference and individuality, respecting everyone as being made in God's image and having an intrinsic value, a view strongly upheld by our Trustees and senior management team.

There is no place for racism or any other form of discrimination within the Trust. It is not just illegal but goes against all that we stand for as outlined in our values. Trust staff are asked to challenge any racist or discriminatory behaviour that they witness, experience, or hear about and then report it. The CEO's commitment is to ensure all allegations are investigated and appropriate action taken.

HEALTH AND SAFETY

The Board and the Trust's employees maintain a high level of attention to and awareness of Health and Safety across the organisation. The Board, through the Audit, Risk & Compliance Committee, receives regular reports in relation to Health and Safety and over the last few years has ensured it remains an area for Internal Auditors to validate.

Regular internal Health and Safety audits have taken place during the reporting period alongside unannounced audits from an external health and safety professional. The findings lead to the creation and implementation of an action plan.

QUALITY AND QUALITY MANAGEMENT

The Director of Care and Quality is the lead officer for the Quality Strategy and regularly reports on performance to the Quality Committee and where required, to the Audit, Risk & Compliance Committee and to the Board.

PARTNERSHIPS

The Trust is well regarded by its partner agencies. It is commissioned by a range of public bodies, including the Ministry of Justice and Local Authorities. The Trust has also entered into a number of formal sub-contracting arrangements, which has enabled it to deliver targeted services in new and existing areas. The Trust holds regular meetings with its stakeholders to discuss progress, service delivery and to ensure targets are met.

We appreciate the confidence shown to us by those organisations, who have provided grant funding to ensure the Trust can flourish, evolve, and develop new services. Some of these organisations have provided funding over several years.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Reducing reoffending benefits the whole population. The Trust's work is financed through funding from local and central government and other public authorities, and through legacies, donations, and grants. Residents contribute to their accommodation costs but are entitled to claim Housing Benefit and other benefits to allow them to finance their stay; therefore, those in poverty are not excluded from the opportunity to benefit from the Trust's services.

The Trustees' report was approved by the Board on 31 July 2025 and signed on its behalf by:

Ruth Williams
Chair of the Board
31 July 2025

Statistics for the Year 2024-2025

140
clients identifying as ethnically diverse

239
clients with self-disclosed disability

458
bed spaces available

1100+
clients received our services in the last year

82%
of care clients surveyed reported their care and support is either good or excellent

67%
of supported housing clients surveyed satisfied with the service received

298
new lettings

77%
of supported housing clients surveyed satisfied with complaints handling

5th
Staff Network launched in 2025

1
Best Culture Award won with Investors in People

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2025

Opinion

We have audited the financial statements of Langley House Trust ('the Trust') for the year ended 31 March 2025 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Trust's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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 financial statements section of our report. We are independent of the 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 Trustee's 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 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.

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements or our knowledge obtained in 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 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.

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2025

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Trust and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

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

- the company has not kept adequate accounting records; or
- the 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 24, the Trustees (who are also the directors of the Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Trust operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022, together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Trust's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Trust for fraud. The laws and regulations we considered in this context for the UK operations were the Regulator of Social Housing regulations, CQC Regulations for service providers and managers, employment legislation and taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit, Risk & Compliance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over the timing of income, reviewing accounting estimates for biases, reviewing internal audit reports, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Guy Biggin

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor
Fourth Floor
St James House
St James' Square
Cheltenham
GL50 3PR
Date: 07 August 2025

Langley House Trust
Statement of Comprehensive Income
For the Year Ended 31 March 2025

	Note	2025 £000	*2024 £000*
Turnover	**3**	21,231	*20,291*
Cost of sales		-	-
Gross profit		**21,231**	***20,291***
Operating expenditure	**3**	(20,392)	*(20,601)*
Operating surplus/(deficit)	**3**	839	*(310)*
Movement in fair value of investments	**17**	19	*66*
Surplus on disposal of fixed assets	**7**	157	*31*
Interest receivable and other income	**8**	95	*105*
Grant payable	**9**	(200)	*(100)*
Gift from Kainos Community	**10**	-	*287*
Surplus before tax		910	*79*
Taxation		-	-
Surplus for the year after tax		910	*79*
Total comprehensive income for the year		**910**	***79***

The notes on pages 41 to 55 form an integral part of these accounts.

Langley House Trust
Statement of Financial Position
For the Year Ended 31 March 2025

	Note	2025 £000	*2024 £000*
FIXED ASSETS			
Housing properties	15	7,558	*9,046*
Other fixed assets	16	349	*371*
Investments	17	-	*883*
Total fixed assets		**7,907**	***10,300***
CURRENT ASSETS			
Debtors	18	1,741	*1,724*
Cash in hand and at bank		4,099	*2,636*
Total current assets		**5,840**	***4,360***
CURRENT LIABILITIES			
Less Creditors: amounts falling due within one year	19	(2,587)	*(3,113)*
Net current assets		**3,253**	***1,247***
Total assets less current liabilities		**11,160**	***11,547***
Creditors: amounts falling due after more than one year	20	(1,381)	*(2,678)*
Total net assets		**9,779**	***8,869***
Reserves			
Restricted reserves		8	*8*
Revenue reserves		9,771	*8,861*
Total capital & reserves		**9,779**	***8,869***

The financial statements were approved and authorised for issue by the Board on 31 July 2025 and were signed on its behalf by:

Ruth Williams	Stephen Cooper	Richard Wilson
Chair of the Board	**Board Member**	**Secretary**

Registered Company number: 7888191

The notes on pages 41 to 55 form an integral part of these accounts.

Langley House Trust
Statement of Changes in Reserves
For the Year Ended 31 March 2025

	Income and expenditure reserve £000	Restricted reserves £000	Total £000
Balance as at 31 March 2023	**8,782**	8	8,790
Surplus for the year	79	-	79
Transfers from restricted reserves	-	-	-
Balance as at 31 March 2024	**8,861**	**8**	**8,869**
Surplus for the year	910	-	910
Balance as at 31 March 2025	**9,771**	**8**	**9,779**

The notes on pages 41 to 55 form an integral part of these accounts.

Langley House Trust
Cash Flow Statement
For the Year Ended 31 March 2025

	Note	2025 £000	*2024 £000*
Net cash from operating activities	i	674	*518*
Cash flow from financing activities			
Purchase of housing properties		(532)	*(1,482)*
Purchase of other fixed assets		(157)	*(270)*
Proceeds on sale of fixed assets		-	*34*
New loans taken in year		490	-
Repayment of loans		(9)	-
Sale of investments		902	*146*
Current liabilities acquired on transfer of undertaking		-	*(28)*
Net cash acquired with subsidiary undertakings		-	*315*
		1,368	***(1,285)***
Cash flow from investing activities			
Interest received		95	*105*
Net change in cash equivalent		**1,463**	***(662)***
Cash and cash equivalents at beginning of the year		**2,636**	***3,298***
Cash and cash equivalents at the end of the year		**4,099**	***2,636***

Note i - reconciliation of net cash flow from operating activities	**2025 £000**	***2024 £000***
Surplus/(Loss) for the year	**839**	***(310)***
Depreciation of tangible fixed assets	608	*568*
Amortisation of Grants	(66)	*(83)*
(Increase)/Decrease in debtors	(19)	*184*
(Decrease)/Increase in creditors	(526)	*259*
Clean Sheet grant	(200)	*(100)*
Other Grants	51	-
Mortgage charges	(13)	-
Net cash inflow from operating activities	**674**	***518***

The notes on pages 41 to 55 form an integral part of these financial statements.

Langley House Trust
Notes to the Accounts
For the Year Ended 31 March 2025

1. LEGAL STATUS

Langley House Trust is registered in England and Wales as a Company Limited by Guarantee (No. 7888191), as a charity with the Charity Commission (No. 1146304) and as a Social Housing Provider with the Regulator of Social Housing (No .4693) as defined by the Housing and Regeneration Act 2008. The registered office is 3 & 4 The Square, Mansfield Avenue, Walsgrave, Coventry, CV2 2QJ.

2. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

Basis of accounting

The financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The accounts are prepared on the historical cost basis of accounting as modified by current asset investments held at valuation and are presented in sterling £.

The financial statements have been prepared in compliance with FRS 102.

As a public benefit entity, Langley House Trust has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

Going concern

The financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Turnover

Turnover comprises rental income, service charge income, income from contracts with statutory bodies, including Supporting People Block contracts and care fee income, Ministry of Justice contract, other revenue grants and income from the sale of other goods and services. Such income is recorded in the accounts as it becomes receivable.

The turnover of the Trust also includes legacies, donations, gifts and other income, the accounting treatment of which is included in separate accounting policies.

Supporting People income and expenditure

The Trust operates a number of Supporting People Block contracts. The income from these contracts is recognised in the Statement of Comprehensive Income in the year in which it is receivable and expenditure charged to it in accordance with the matching concept.

Legacies

Legacies are credited as income where the legacy has been received or if, before receipt, where there was sufficient evidence to provide the necessary certainty that the legacy would be received and its value known with sufficient reliability.

Donations, gifts and other income

Donations, gifts and other income are credited as income in the year in which they were receivable..

Operating leases

Amounts due under operating leases are charged to the income and expenditure account as incurred.

Pensions

Contributions made by the Trust into pension schemes on behalf of employees are recognised within operating costs in the income and expenditure account for the period to which it relates.

Employee Benefits

A liability is recognised to the extent of any employee benefits including unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted cost to the employees of the future holiday entitlement and accrued at the statement of financial position date.

Fixed assets

Valuation of housing properties

The Trust operates many of its services from properties it either owns or leases in which living accommodation is provided for clients. Housing properties are included in the accounts at cost less depreciation, unless impairment has occurred or the properties have been transferred from another Registered Provider or charity.

A housing property comprises of several components with substantially different useful economic lives. Each major component is accounted for separately and depreciated over its individual useful economic life as set out in the Fixed Assets section above. Land is treated as a separate asset and not depreciated.

The cost of acquiring land and buildings, including professional fees, and development costs are included in the costs.

Depreciation and impairment of fixed assets, including housing properties

Freehold land is not depreciated. Depreciation on all other assets is calculated to write off the cost of fixed assets on a straight-line basis over their estimated useful economic lives.

Fixed assets are depreciated on a straight-line basis by equal instalments over their useful economic lives at the following annual rates:

Freehold properties (excluding land):

	Useful economic life	Depreciation rate
Pitched roofs	50 years	2%
Flat roofs	20 years	5%
Windows and external doors	25 years	4%
Heating	20 years	5%
Electrical	25 years	4%
Bathrooms	25 years	4%
Kitchens	20 years	5%
Lifts	10 years	10%
Structure	50 years	2%
Plant and equipment	5 years	20%
Computers	4 years	25%
Motor vehicles	4 years	25%

Leasehold properties are depreciated by equal instalments over the life of the lease or their estimated useful economic life if shorter.

The carrying values of tangible assets are reviewed for impairment where events or changes in circumstances indicate that the carrying values may not be recoverable.

Works to existing housing properties

Expenditure which results in an enhancement of the economic benefits of a property, the creation of a new property component or the replacement of a component that has been treated separately for depreciation purposes is capitalised. In all other instances expenditure on existing properties is charged to the income and expenditure account. This includes expenditure incurred to ensure that the property can maintain its expected level of net rental income or the standard of performance anticipated when the asset was first acquired or constructed or last replaced.

An enhancement of the economic benefits means an increase in the rental stream, a reduction in future maintenance costs or a significant extension of the life of the property.

Social Housing and Government Grants (SHG)

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

SHG must be recycled by the Trust under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes England. However, SHG may have to be repaid if certain conditions

are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Non-monetary government grants

On disposal assets for which non-monetary government grants are held as liabilities in the Statement of Financial Position, the unamortised amount in creditors is derecognised and recognised as income in the Statement of Comprehensive Income.

Investments

Investments are stated at market value.

The Investments held have been classified as fixed asset investments as the Trust intends to hold them on a continuing basis, are re-measured to market value at each statement of financial position date. Gains and losses on re-measurement are recognised in the Statement of Comprehensive Income for the period.

Provisions

The use of provisions is restricted to situations where a liability exists, for example arising under a contract, but where there is some uncertainty as to the timing of the amount of the expenditure or the identity of the creditor.

Restricted reserves

Grants and donations received which have restrictions as to their use are included in restricted reserves. The value of the reserve shown in the balance sheet is shown net of any transfers to the general revenue reserve in respect of expenditure to be financed by the restricted reserve.

Revenue reserves

Due to the ever-changing nature of policy, funding streams and risk, Trustees are of the view that not every risk and impact can be envisaged.

The Trust's reserves policy has identified that a contingency equivalent to the average fluctuation in the Trust’s cash balance in a month plus one month of budgeted operating expenditure plus contingency for an unplanned operating expenditure such as a building repair plus 50% of the planned capital expenditure for the year needs to be maintained in order to cover identifiable and quantified risk and to allow the Trust sufficient time to be able to restructure its operations minimising the disruption to clients.

Financial instruments held by the Trust are classified as follows:

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for at amortised historic cost.

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses reported in surplus or deficit. The Trust has no non-basic financial instruments at the year end.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

a) **Categorisation of housing properties:**
The Trust has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Trust has considered if the asset is held for social benefit or to earn commercial rentals.

b) **Impairment:**
The Trust has identified a cash generating unit for impairment assessment purposes at a property scheme level.

Other key sources of estimation and assumptions:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Recoverability of rent arrears

The Trust make an estimate of the recoverable value of rent arrears based on factors including the ageing profile of the rental debtors in addition to historical experience of difficulties in recovering rent arrears for clients that have moved on from our services.

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS / (DEFICIT)

	2025 Turnover	Operating costs	Operating Surplus/ (deficit)
	£000	£000	£000
Social Housing Lettings (Note 5)	6,971	6,594	377
Other social housing activities			
Supporting People	177	232	(55)
Activities other than social Housing			
Care and spot funding	10,088	9,619	469
Ministry of Justice	2,903	2,718	185
Other government contracts	899	988	(89)
Voluntary Income	153	190	(37)
Other	-	2	(2)
Income for generating funds	40	49	(9)
	21,231	**20,392**	**839**

	2024 Turnover	*Operating costs*	*Operating Surplus/ (deficit)*
	£000	*£000*	*£000*
Social Housing Lettings (Note 5)	*6,483*	*6,605*	*(122)*
Other social housing activities			
Supporting People	*176*	*246*	*(70)*
Activities other than social Housing			
Care	*9,099*	*9,208*	*(109)*
Ministry of Justice	*2,791*	*2,547*	*244*
Other government contracts	*1,445*	*1,637*	*(192)*
Voluntary income	*213*	*206*	*7*
Other	*47*	*115*	*(68)*
Income for generating funds	*37*	*37*	*-*
	20,291	***20,601***	***(310)***

4. UNITS/BED SPACES

	Social Housing Lettings		Other Social Housing		Total
	Supported Housing	Care Homes	Registered Care Beds	General Needs	
Social Housing					
At 31 March 2025	377	-	98	-	475
At 31 March 2024	*395*	*-*	*101*	*-*	*496*

	2025	2024
Non-social Housing		
Under management at start of year	**3**	*3*
Under management at end of year	**3**	*3*

The Trust also owns 13 units *(2024: 43 units)* of accommodation managed by a third party. As the rights and obligations of the scheme have been transferred to the managing organisation, these units are not included in these accounts.

5. TURNOVER AND OPERATING EXPENDITURE

	Supported housing 2025 £000	Care Homes 2025 £000	TOTAL 2025 £000	*TOTAL 2024 £000*
INCOME				
Rents receivable	3,384	112	**3,496**	*3,163*
Service income	3,336	73	**3,409**	*3,237*
Amortised government grants	49	17	**66**	*82*
Turnover from Social Housing Lettings	6,769	202	**6,971**	*6,482*
EXPENDITURE				
Management	2,393	89	**2,482**	*2,264*
Services	2,669	38	**2,707**	*3,158*
Routine maintenance	491	18	**509**	*548*
Planned maintenance	18	1	**19**	*28*
Bad debts	619	6	**625**	*467*
Depreciation of Housing Properties	243	10	**253**	*241*
Operating costs on Social Housing Lettings	**6,433**	**162**	**6,595**	*6,706*
OPERATING (DEFICIT) /SURPLUS ON SOCIAL HOUSING LETTINGS ACTIVITIES	336	40	**376**	*(224)*
Void losses	(781)	(60)	**(841)**	*(861)*

6. OPERATING SURPLUS

Is stated after charging/(crediting):	**2025 £000**	*2024 £000*
Depreciation of housing properties	443	*420*
Depreciation of other tangible fixed assets	165	*149*
Operating lease rentals:		
Land and buildings	494	*537*
Office equipment	4	*5*
Auditors remuneration (including VAT):		
In their capacity as external auditors	26	*24*
Other fees	0.6	*6*
Gain on sale of other fixed assets	157	*31*

7. SURPLUS/(LOSS) ON DISPOSAL OF FIXED ASSETS

	2025 £000	*2024 £000*
Proceeds of sales	1,735	*34*
Carrying value of fixed assets disposed of during the year	(1,578)	*(3)*
SURPLUS ON DISPOSAL	**157**	***31***

8. INTEREST RECEIVABLE AND OTHER INCOME

	2025 £000	*2024 £000*
Dividends received on investments	29	*32*
Bank interest	66	*73*
TOTAL	**95**	***105***

9. GRANT PAYABLE

	2025 £000	*2024 £000*
Clean Sheet Grant	**200**	**100**

From 1 April 2023 Clean Sheet became its own independent charity again. The Trust agreed to provide a grant of £300k to Clean Sheet between April 2023 up to March 2026 to support Clean Sheet in its onward sustainability. The final payment was made in March 2025.

10. GIFT FROM KAINOS COMMUNITY

On 1 April 2023, the trade and assets of Kainos Community which was a wholly owned subsidiary of the Trust were acquired by Langley House Trust, and Kainos Community ceased trading. This transaction was accounted as a combination that is in substance a gift as defined in FRS 102 and the SORP.

11. EMPLOYEE INFORMATION

	2025	*2024*
The average number of staff employed during the year, expressed as full-time equivalents, (i.e. 35 hours per week) was:	323	*313*

Staff costs	**2025**	*2024*
	£000	*£000*
Wages and salaries	9,971	*9,114*
Social security costs	958	*847*
Other pension costs	384	*358*
Other Employee benefits	-	*-*
TOTAL	**11,313**	*10,319*

During the year ended 31 March 2025, the Trust made severance and redundancy payments of £26k *(2024: £26k).*

The number of staff whose emoluments plus taxable benefits amounted to over £60,000 during the year was as follows:

	2025	*2024*
£60,000 - £70,000	2	*-*
£70,000 - £80,000	-	*3*
£80,000 - £90,000	2	*1*
£90,000 - £100,000	1	
£110,000 - £120,000	1	*1*

12. PENSION OBLIGATIONS

The Trust contributes to a group personal (defined contribution) pension scheme for those qualifying employees who have chosen to join the scheme.

The Trust has no legal or constructive obligation to pay further contributions if the pension provider does not have sufficient assets to pay all benefits relating to employees' service in current and prior periods. Individual members benefits are determined by reference to contributions paid into the scheme in respect of that member.

The cost of the pension scheme is equal to the contributions payable to the scheme for the accounting period. The cost is recognised within operating costs in income and expenditure account for the period to which it relates.

13. DIRECTORS' EMOLUMENTS

No emoluments were paid to Directors in 2025 or 2024 by the Trust. They do receive reimbursement of necessary expenses incurred on behalf of the Trust. In 2025 reimbursement of Directors' expenses totalled £2k *(2024: £4k).*

	2025 £000	*2024 £000*
The aggregate emoluments paid to or receivable by non-executive Directors and former non-executive directors	-	-
The aggregate emoluments paid to senior officers, including salary, employer's pension contributions and benefits-in-kind	**537**	*501*
The emoluments paid to highest paid officer (Chief Executive), including benefits-in-kind but excluding employer's pension contributions	**118**	*118*

The Chief Executive was the highest paid officer and is an ordinary member of the pension scheme. The pension scheme is a group personal (defined contribution) pension scheme funded by the employer, with voluntary contributions payable by the employee. No enhanced or special terms apply to the Chief Executive and there are no additional pension arrangements.

Directors (key management personnel) are defined as members of the Board, the Chief Executive and any other person who is a member of the Senior Management Team or its equivalent.

14. TAXATION STATUS

HM Revenue & Customs accepts that Langley House Trust is a charity for tax purposes. The Trust's taxable turnover falls below that required for VAT registration. The Trust has not elected to be taxed.

15. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Completed £000	Under Construction £000	Total £000
COST/VALUATION			
At 1 April 2024	*14,065*	-	*14,065*
Additions	460	72	532
Disposals	(2,960)	-	(2,960)
At 31 March 2025	**11,565**	**72**	**11,637**
DEPRECIATION			
At 1 April 2024	*5,019*	-	*5,019*
Charge for year	443	-	443
Disposals	(1,383)	-	(1,383)
At 31 March 2025	4,079	**-**	**4,079**
NET BOOK VALUE at 31 MARCH 2025	**7,486**	**72**	**7,558**
NET BOOK VALUE at 1 April 2024	*9,046*	-	*9,046*

Housing properties comprise:	**2025 £000**	*2024 £000*
Freeholds	7,127	*8,672*
Long Leaseholds	14	*16*
Short Leaseholds	344	*358*
Assets under construction	72	-
	7,558	*7,984*

16. TANGIBLE FIXED ASSETS – OTHER

	Plant & equip £000	Motor vehicles £000	Total £000
COST/VALUATION			
At 1 April 2024	*862*	*376*	*1,238*
Additions	76	80	156
Disposals	(49)	(17)	(66)
At 31 March 2025	**889**	**439**	**1,328**
DEPRECIATION			
At 1 April 2024	*624*	*243*	*867*
Charge for year	98	66	164
Disposals	(36)	(17)	(53)
At 31 March 2025	**686**	**292**	**978**
NET BOOK VALUE at 31 March 2025	**203**	**147**	**350**
NET BOOK VALUE at 1 April 2024	*238*	*133*	*371*

17. FIXED ASSET INVESTMENT

	2025 £	2024 £
Market value of investments at start of year	883	*963*
Market value of investment sold during the year	(902)	*(146)*
Market value of investments at end of year	**-**	*883*
(Loss)/Gain in value during the year	**19**	*66*
(Loss)/Gain recognised in the Statement of Comprehensive Income	19	*66*
	19	*66*
Historic Cost of Investments	464	*464*

All investments are either unit trusts or fixed term investments with UK banks.

18. DEBTORS

	2025 £000	2024 £000
Amounts falling due within one year:		
Rent arrears	2,309	*1,811*
Less: provision for bad debts	(1,984)	*(1,376)*
Non rental arrears	1,048	*859*
Less: provision for bad debts	(75)	*(77)*
Prepayments and accrued income	443	*507*
Intercompany balance	-	-
	1,741	*1,724*

19. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £000	2024 £000
Rent credit balances	446	*311*
Non rental credit balances	469	*531*
Trade creditors	197	*334*
Taxation, social security and pension payable	265	*262*
Accruals and deferred income	1,164	*1,592*
Deferred capital grant (note 20b)	32	*83*
Bank loans	14	-
	2,587	***3,113***

20. (a) CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025 £000	*2024 £000*
Deferred capital grant (note 20b)	914	*2,678*
Bank loans	467	-
	1,381	***2,678***

20. (b) DEFERRED CAPITAL GRANT

	2025 £000	*2024 £000*
At the start of the year	2,761	*2,844*
Disposals	(1,748)	-
Released to income in the year	(66)	*(83)*
At the end of the year	**2,761**	*2,761*
Amount due to be released <1 year	32	*83*
Amount due to be released >1 year	914	*2,678*
	946	*2,761*
Total grant received	**4,721**	*4,721*

20. (c) MORTGAGE LOAN

	2025 £000	*2024 £000*
At the start of the year	-	-
Loan advanced during the year	490	-
Repayments made in the year	(9)	-
At the end of the year	**481**	-
Amount due <1 year	14	-
Amount due >1 year	467	-
	481	-

The Mortgage is due repayable in equal instalments over 20 years, with a variable interest rate of Kingdom Bank's Residential Gospel Partner Prime Discounted Rate. The loan is secured by a charge over Hope House in London.

21. CAPITAL COMMITMENTS

	2025 £000	*2024 £000*
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	184	-

The commitments as at 31 March will be financed as follows:

	2025 £000	*2024 £000*
Revenue reserves of the Trust	184	-
	184	**-**

22. OPERATING LEASES

The Trust holds properties and office equipment under non-cancellable operating leases. At the end of the year the Trust had commitments of future minimum lease payments as follows:

	2025 £000	*2024 £000*
Land and buildings:		
In one year or more but less than two years	131	*155*
In two years or more and less than five years	232	*314*
In five years or more	0	*17*
Others, which expire:		
In one year or more but less than two years	4	*5*
In two years or more and less than five years	5	*9*

23. RELATED PARTY TRANSACTIONS

The Trust has not entered into any related party transactions during the year, nor are there any outstanding balances owing between related parties and the Trust at 31 March 2025.

24. FINANCIAL INSTRUMENTS

	2025 £000	*2024 £000*
Financial Assets Measured at Amortised Cost:		
Rent and Service Charge Debtors	325	*435*
Other Debtors	973	*782*
Cash and Cash Equivalents	4,099	*2,636*
Total Financial Assets	**5,397**	***3,853***
Financial Liabilities Measured at Amortised Cost:		
Trade Creditors	197	*334*
Other Creditors	2,092	*2,435*
Total Financial Liabilities	**2,289**	***2,769***

LANGLEY TRUST

England & Wales - Charity number 1146304

Accounts

Annual Report and Financial Statements

For the 12 months ending 31st March 2024

Company No. 07888191 • Charity No. 1146304

LangleyTrust.org

Key Individuals

PATRONS

The Rev. Jonathan Aitken
The Rt Rev. Rachel Treweek

FELLOWS

Elfrida Calvocoressi
Anthony Howlett-Bolton
David Lane
Tony Pearson CBE
Ademola Oshodi
Professor Chris Lewis CBE
George Calvocoressi
Caroline Eady
Malcolm Hayes

TRUSTEE BOARD MEMBERS*

Chair
Ruth Williams R.N. DipN (Lon), MSc

Vice Chair (Development)
Stephen Cooper ACIB

Other Trustees
Andrew Newell MBA, FCIB
Michael Maiden BA, DMS (resigned 13th Oct 2023)
Sandra Keene CBE, BSc, DSW
Amanda Coyle MSc, MBA, TksA
Stephen Lawes BA, ACA
Linda Faith Trew PGDip, CIOF (Cert)
Lyn Weston BA (Hons)
Richard Montgomery MBA, BSc
Anne Ranasinghe MBA, ACMA, MSc, BSc (Hons) (from 12th July 2023)
Mark Curran LLB (from 12th July 2023)
Charles Anelay BSc, MSc, MCIOB (Co-optee from 4th January 2024)
David Cooke BSc (Co-optee from 2nd January 2024)
David Stokes BSc (Hons) (Co-optee from 2nd January 2024)
Johannes Etten BA, MA (Co-optee from 2nd January 2024)

EXECUTIVE DIRECTORS

Chief Executive
Tracy Wild MA BSc (Hons), CIH

Director of People
Olukemi Jeboda, Chartered FCIPD, MBA, MSc (resigned 31st January 2024)

Director of Finance & Business Services
Simon Herbert ACA

Director of Operations
Chris Metcalfe, ILM Level 5 Strategic Management

Director of Care and Quality
Stella Wint, BA (Hons)

Director of Chaplaincy Services
The Rev. Andy Rider MA BTh (Hons)

COMPANY SECRETARY

Simon Herbert ACA

*The Trustees are Directors and Members of the Company within the meaning of the Companies Act. The Executive Directors are neither Directors nor Members of the Company under the definition of the Companies Act.

contents

Chair's Review	4
Strategic Report	6
Financial Review	17
Board's Responsibility Statement	25
Trustees' Report	26
Statistics	33
Independent Auditors' Report to the Members of Langley House Trust	34
Statement of Comprehensive Income	37
Statement of Financial Position	38
Statement of Changes in Reserves	39
Cash Flow Statement	40
Notes to the Financial Statements	41

Chair's Review

I am delighted to present this year's Annual Report for Langley House Trust (now known as Langley Trust). The purpose of this report is to share a clear summary of who we are as an organisation, to celebrate what we have done during the past year, and to set out what we will do in the coming year.

This past year has seen some key projects brought to fruition and we have much to celebrate, truly a year of gratitude at Langley. I am proud to have led this organisation into its 65th anniversary celebrations, which in true Langley style, spanned several months, involved all staff and clients and culminated in a wonderful service of thanksgiving in London in September; an event enjoyed by many valued supporters and honoured guests as well as our own staff, clients and volunteers.

Our re-brand project was commissioned and delivered on time during 2023/24 and enabled us to consider what we stand for and how we represent our core mission and values. The way organisations like ours position themselves in the marketplace has become increasingly significant in the sectors we work in, and we offer so much more besides accommodation to offer our clients. We ensured that our new brand continues to reflect our mission through its revised tagline, 'everyone deserves another chance'. The essence of our work has not changed, although the name and packaging has been updated – we are now Langley Trust, or Langley.

2023/24 saw us open a new care home in Kent and the former site has become a hostel, expanding the provision for both care beds and supported housing in that area. Our search for a suitable new property in the north-west has continued during the year and I remain hopeful that a new property will be purchased in this new financial year.

I am committed to Langley Trust's growth, and this includes purchasing properties, wherever that makes good business sense. I am delighted that we were able to buy Hope House for our London-based service, Dorado.

Our care provision has gone from strength to strength with Care Quality Commission (CQC) recognition of Ashdene's provision as 'good' overall in April 2023. Park View also retained their 'good' rating when re-inspected by CQC in December 2023. In June 2023 our care team also attracted external recognition, winning the prestigious LaingBuisson Award for Excellence in Care.

As a Board, we thoroughly reviewed our strategic objectives. We concluded that Langley's three strategic priorities should be: growth, developing a high-performing culture and staying focused on our core strength; namely our mission, values and enabling sustainable transformation in our clients' lives.

I am delighted to have welcomed new co-optees onto the Board this year and to have seen the embedding of new committees we established last year. I am confident that the skills and experience our Board of Trustees bring to Langley are the right ones to meet the demands of the coming year.

As always, our staff and volunteers are the backbone of this organisation, helping clients on their transformation journey and providing care and support in keeping with Langley's values and Christian ethos. I am truly grateful for all that they contribute every day.

It is a privilege to be involved in this work and I offer my thanks and appreciation to all our supporters, who contribute financially and through their prayers. We could not sustain this vital work without your continued commitment.

On behalf of the Board, I thank you.

Ruth Williams
Chair of the Board
18th July 2024

STRATEGIC REPORT

ABOUT US

Langley House Trust (known as Langley Trust) is a Christian charity providing supported housing, complex care through our registered care homes, programmes and support services in the community for people with convictions. For over 65 years we have been helping people with convictions to transform their lives and thrive, promoting rehabilitation, preventing crime, and reducing re-offending. As a Christian charity working across England, we believe everyone deserves another chance.

The Trust seeks to use its faith base, which is centred in Christ and His teachings, to the advantage of clients, not by proselytizing them, but by having a living ethos where all individuals are seen as people of worth and capable of change. Since 1958 we have earned an enviable reputation for reducing re-offending with proven results.

Langley Trust worked with 722 clients who needed supported housing services during 2023/24. When we include complex care clients, and those who engaged with our other services such as finance, benefit and debt, and accommodation advice, the total number of clients who engaged with Langley rises to more than 1778 during the past year.

We work with adult men and women (18+) with convictions. We are particularly skilled in working with people who are deemed 'hard to place' and those with complex needs. This includes individuals who are subject to MAPPA (Multi-Agency Public Protection Arrangements).

OVERARCHING VISION AND MISSION

Our vision is of a society where no-one is unfairly disadvantaged because of their past.

Our mission is to support people with convictions so that they reintegrate into society, live crime-free and thrive.

Langley Trust will always see accommodation as a core part of its offer to the Criminal Justice sector. We know that without suitable accommodation no other rehabilitative intervention stacks up. Ensuring prison-leavers have an appropriate place to live is key to seeing them able to lead crime-free lives in the future.

The accommodation we provide for people with convictions is in 21 geographical locations in both urban and rural settings. The accommodation includes hostels, dispersed supported housing, registered care homes and dispersed accommodation with extra care provision. We also manage an Independent Approved Premises (IAP) to deliver a contract on behalf of His Majesty's Prison and Probation Service (HMPPS).

Our housing support services enable people to maintain a tenancy, develop their budgeting skills, access and manage support for addictions and mental health issues, engage with key

community services (e.g. GPs and advocacy services), access education and develop their employability skills.

Our residential care and extra-care services provide high levels of support for people with complex mental and physical care needs, offering one-to-one support, 24/7 staff supervision, specialist psychiatric and psychological support for mental health issues and the development of independent living skills where required.

Our registered care homes provide placements for individuals coming from medium secure units, who require step-down services and are under mental health sections (e.g. section 41 or section 117).

Each placement is individually assessed to ensure that individuals receive the correct level of care and support they require, responsive to changing needs.

ADVICE AND REHABILITATION IN PRISON

For many years we have provided targeted advice in 18 prisons addressing key issues relating to housing, debt, finance, benefits, gambling, and reintegration into the community for long- sentenced prisoners. During 2023 the long-term funding for these projects came to an end and service delivery ceased in December 2023.

In July 2023 Langley secured the contract for provision of similar services into HMP Fosse Way and so our experience of delivering this type of service in custody continues.

We have continued to deliver Challenge to Change during 2023/24, an accredited prison wing community programme, offered at HMP Lancaster Farms. Challenge to Change incorporates cognitive behaviour therapy and a therapeutic community environment in which participants live 24 hours a day, seven days a week for six months. The programme is based on the principles of forgiveness, accountability and restoration, challenging participants to examine their thinking, attitudes, and behaviour in order to live crime-free on release.

FORMER GROUP STRUCTURE

From 1st April 2023 Langley's structure changed to ensure viability for each of its subsidiaries. Clean Sheet has continued as a charity in its own right and was released from the former Langley Group.

Additionally, Kainos became fully integrated within Langley Trust and its independent charity status ceased. The trade and assets of Kainos Community were acquired by Langley House Trust at this point, given that it had been wholly owned as a subsidiary of the Trust, and had, since 2013, been supported by a grant of £50,000, as well as significant additional operational and management support. Without this package of support, Kainos would not have been viable, and until trading ceased, had been unable to repay Langley even in kind.

The transfer of assets from 1st April 2023, deemed in substance a gift, is outlined in note 10, p.50.

As a result of these changes there is no requirement for the Trust to produce Consolidated Financial Statements.

LANGLEY TRUST APPROACH

Our approach is pragmatic, responsive, and tailored to each person we work with. At the heart of our approach is the belief that everyone deserves another chance, and can change, regardless of their history. Consequently, we have a track record of success in working with people who have previously failed in other placements.

Our approach is:

Person-centred – with a focus on recovery and independence. Care and support are shaped around the distinct needs and aspirations of each person. We support people to live as independently as possible, develop living and financial skills, access training, education and employment opportunities, and participate in local community life.

Built around evidence-based interventions – trauma-informed approaches are being embedded in all levels of the organisation; Positive Behaviour Support (PBS) and the Good Lives model are further evidence-based intervention approaches being used with our clients across the Trust.

Respectful of privacy and dignity – we take the privacy and dignity of our clients seriously. We empower people to make their own choices wherever possible.

Risk-management focused – our risk assessments and risk management plans are comprehensive and responsive to changing risks and needs. We work in close partnership with stakeholders involved in the supervision of clients including the National Probation Service. Safeguarding is of primary importance, and we have comprehensive policies and procedures in place in relation to both the safeguarding of vulnerable adults and children.

Committed to partnership working – in addition to working with statutory agencies to manage risk, we also work with education and training providers, voluntary organisations, businesses, and faith groups to provide volunteering, education, training, and employment opportunities for our clients. We are committed to working in partnership to maximise resources, share good practice and ensure the best possible outcomes are achieved.

Responsive to client input – creating ownership and autonomy. Our National Consultative Group provides a forum for clients to meet with senior staff and Trustees. Co-chaired by a Trustee and a client, it meets three times a year and agendas include reviewing policies and procedures and discussing topical subjects that affect clients' everyday lives. We have a range of formal and informal feedback

options including an annual satisfaction survey, comment cards and client forums (regional and national). All formal feedback is monitored and used to improve services at a local and national level. The scrutiny section of the NCG was established in February 2024 and will be led by client representatives.

Focused on Equality, Diversity and Inclusion – our Equality, Diversity and Inclusion Policy covers all nine of the protected characteristics recognised by the Equality Act 2010. During the year we have delivered an Equality, Diversity and Inclusion (EDI) calendar, drawing attention to particular themes each month. We have 4 staff networks representing women, ethnically diverse groups, the younger workforce and the LGBTQIA community.

REOFFENDING RATE OF OUR CLIENTS

The reconviction rate for clients of the Trust whilst with us remained within the target of 3%. This is one of the lowest reconviction rates in the country, enabling men and women to live crime-free.

REVIEW OF 2023/24

During the past year the Trust has continued to focus on the charitable aims established when it was founded over 65 years ago, namely, to seek to support and care for clients, helping them to reach their full potential and become positive contributors to society. To meet these aims, the Trust has supported more than 1778 clients as follows:

1. Provided 108 beds in registered care homes and 396 rooms in supported accommodation, a total of 504 residential clients at any given time, with a suitable, safe place to live; an increase of 12 care beds and 18 supported housing beds since last year.
2. Accommodated a total of 722 clients in supported housing since April 2023, of which 302 were new lettings.
3. Provided specialist advice to 897 clients on issues such as gambling, debt, and accommodation needs, managing a total of £663,212 in debt.
4. Worked with 60 participants through Challenge to Change programme.
5. Led 15 staff through the online Alpha course as a means of exploring the Christian faith, with four services delivering Alpha for clients on-site. In addition, two other service chaplains have run sessions such as First Steps, Ninefold Path (Beatitudes study), the Bible Society course and Christian characteristics studies.
6. Strengthened client engagement with procedures that affect them, developing more accessible video summaries.
7. Enhanced the impact of client participation in the National Consultative Group (NCG) with a client co-chair and newly developed scrutiny agenda item, which is client-led.

In addition to our client-facing achievements, we have continued to invest in and develop other areas of the Trust:

People

- We strengthened our Equality, Diversity and Inclusion (EDI) offer with a particular focus on neurodiversity.
- The success of our 4 staff network groups to specifically engage women, the younger workforce, ethnically diverse colleagues and the LGBTQIA+ community has continued well.
- We continued the ITOL accredited Management Development Programme through which the Trust seeks to develop and retain talent already employed.
- We recruited 10 volunteer professional coaches, who provided coaching opportunities for 13 staff during 2023.

Governance

- Reviewed our KPIs, culminating in reduction from 20 to 10. Greater scrutiny of data and information at committee level.
- Strengthened our external profile and reach through a major re-brand, ensuring that our core offer is clearly defined and promoted widely across the digital landscape, through more consistent process of telling the Langley story and providing a useful resource for all stakeholders.
- Retained our ISO27001 accreditation, an important quality hallmark for data assurance.
- Obtained cyber essentials plus.
- Expanded the Board of Trustees and included IT and HR specialisms.

Awards

We were shortlisted as finalists for the following external awards during 2023-24:

- LaingBuisson 'Excellence in Specialist Care' Award – winner
- Investors in People Awards 2023, 'Employee Engagement' – finalist
- Charity Times Awards, 'Charity of the Year' – finalist
- Housing Heroes Awards – finalist
- Women in Housing Awards, 'Professional of the Year' – highly commended

Values Refresh

Along with our brand refresh we have also refreshed the Langley values:

1. **Christ-like** – We seek to build a culture that reflects Jesus' teaching & His love.
2. **Responsible** – We are diligent in all we do and take care of all people within Langley.
3. **Genuine** – We are honest, principled, and trustworthy.
4. **Respectful** – We respect all people, act inclusively, and engage widely.
5. **Visionary** – We are aspirational, enabling change, hope and flourishing throughout Langley.

Langley Trust Values

CHRIST-LIKE

Responsible
Genuine
Respectful
Visionary

Bible References

Philippians 2.5 • Hebrews 6.11 • 2 Corinthians 8.21
Matthew 7.12 • Jeremiah 29.11

Langley

GROWTH DURING 2023/24

As a business we continued to show income growth, with income increasing by 11% during 2023/24, Care income has seen a significant rise and we were able to purchase and open a new care home in Kent to replace our leased property, which allowed us to increase care bed spaces and accommodate wheelchair users more readily.

With the former Shrubbery (Kent) building vacated by our care home clients, we were able to develop a new supported housing service, Kadesh, using that site.

HMP Fosse Way brought an opportunity to deliver a new contract, providing specialist finance, benefit and debt advice in custody; this is an area of work we have delivered very effectively over many years and especially well within the prison estate.

STRATEGIC OBJECTIVES

The Trust's strategic objectives are directed towards:

Core Strength - To ensure we stay true and strengthen our core mission (creating sustainable transformation in client's lives) our values and ethos in all we do. To retain and enhance Christ at the centre of our work. To be nationally known and locally loved both as a trusted partner and an excellent employer to our people.

Growth – We are committed to developing and growing current models of delivery that we know change lives and are financially viable. We will strengthen the financial foundation to allow growth and maintain safe reserves. And we will work at becoming nationally known and locally loved within our target audiences.

High Performing Culture – To continue to develop and modernise internal processes, systems, procedures, and structures to ensure they are fit for purpose and future-proofed. To invest in and develop our people. To ensure we align closely the forecasting and actual performance outcomes. We recognise that we have within our reach God-given resources to achieve this.

The Trust has considered the principal risks and uncertainties to the Trust and has addressed these within the Trustees' Report (refer to page 26).

The Trust has several strategies that identify sufficient resources to improve its services and prioritise its improvement plan, ensuring that Langley remains a partner of choice within the varied sectors in which it operates.

It is anticipated that Langley will continue to grow and develop new services, providing support for people with convictions, in the following groups:

- Complex needs
- Elderly clients (including end of life care and those with long-term health conditions)
- Mental health issues (including enduring conditions)
- Learning disabilities
- Disabled access
- Neurodivergent needs
- Women
- High risk of harm clients

STRATEGIC FOCUS FOR 2024/25

The Trust remains in robust financial health with a strong balance sheet and a determination to proactively expand the reach of the services provided. There continues to be a need for the work the Trust undertakes, and we remain well-placed to meet those increasing needs.

Within the next twelve months, the Trust aspires to:

- Explore potential for purchase of a new care home in the northwest of England to replace a current facility that is leased. This will allow for longer term investment in environmental issues as well as expand the number of beds.
- Invest in medium to long term digitalisation of the services we provide, securing efficiencies and reducing duplication, making the best use of digital opportunities to benefit internal users and enhance our engagement with the external market.
- Complete the purchase of a new property to open a new service in the northeast of England.
- Develop a systematic approach to replacing supported housing properties we currently lease with properties we own, creating commercial value for money benefit upside, improving the quality of accommodation for our clients, and allowing for mid-term investment into the greening of our property portfolio.
- Win at least one significant contract for service delivery to enhance our current offer to our stakeholders.
- Ensure we continue to invest in systems and processes that assist the Trust in enhancing the quality of service to our clients and to ensure compliance with all regulatory requirements.

Our people continue to be the most valuable resource the Trust has. Now, more than ever, it is vital that the Trust has a strategy to attract and retain the right kind of staff. To that end, the Trust will:

- Continue to be a values-based organisation and build on the review of the key competences and behaviours required in all those employed by the Trust, recognising that increasingly employees are motivated to work for organisations that can clearly express and display their underlying core values.
- Complete the process of succession planning so that we can develop and retain talent that is already within the Trust.

- Develop a suite of flexible benefits that rewards each member of staff in the most suitable way by giving them some control over their package.
- Agree a Trust-wide approach to working patterns in a post-pandemic economy so as not to disadvantage the Trust when competing for staff against more flexible employers.
- Prepare to undertake assessment for Investors in People Platinum standard in 2025, ensuring that we continue to develop a high-performing culture, improve the professional experience of our staff, keep ourselves bench-marked against other organisations and remain an employer of choice for the future.
- Continue to build on our Level 2 Disability Confident Employer accreditation, attained in 2023.

FUNDRAISING

The Trust uses several different communication methods to attract and retain support, including:

- direct mail of newsletters and appeals
- emailing newsletters and appeals
- opportunities for regular giving via Standing Order
- use of the website and social media accounts
- opportunities for planned giving through a legacy programme.

The Trust seeks to be transparent as to how donated funds will be used and, in all cases, any restriction placed on a donation is strictly followed and fulfilled. In cases where the Trust is unable to use the donation, the supporter will be contacted and either another use for the funds agreed or they are returned.

The Trust maintains and monitors the wishes of each supporter and will only communicate using methods the supporter has given clear and informed consent for us to use. The Trust does not knowingly communicate with young people below the age of 18 or any vulnerable adult. Where we are made aware that such people may be receiving communications from us, our records are amended to prevent further communication.

The Trust has robust systems in place to ensure that where a supporter wishes to cease being contacted, either directly with us or through the Fundraising Preference Scheme, this action can be implemented immediately.

The Trust is compliant with the Institute of Fundraising Code of Practice and received no serious complaints about its fundraising practices during the year.

THANKS

Langley Trust has loyal supporters, who generously support our work. We are so grateful for their ongoing support. This support allows the Trust to invest in new growth and new initiatives, which in turn improve the lives of our clients.

We are extremely grateful for all those who have generously supported our work – individuals, churches, charitable foundations, and businesses. Their support has been invaluable in helping to sustain and enhance the services we provide in challenging times,

The importance of having these funding streams cannot be underestimated; they enable us to respond to local needs and to be more flexible in our support approach. This enhances our core services and makes a significant difference between managing a problem and transforming someone's life for the future.

We are thankful to all our volunteers for the value they add to our work and the difference it makes to the lives of our clients. We would also like to thank our staff, who are committed to changing the lives of those we work with and who often go the extra mile to ensure our work makes a difference.

OUR PARTNERS

Langley is grateful to colleagues in partner agencies and organisations including Homes England (previously the Homes and Communities Agency), the Ministry of Justice, His Majesty's Prison and Probation Service, Supporting People Teams, Social Services, the Police, Local Authorities, National Health Service Trusts, Integrated Offender Management Teams, Police and Crime Commissioners and all those who work alongside us to help people to live crime-free.

The Trustees also acknowledge with gratitude those partner organisations from whom we lease property including: BPHA, Cheltenham Borough Council, Coventry City Council, the Methodist Church in Great Britain, Milnrow Properties, MHS Homes, Places for People and Your Housing.

FUNDERS

The Trustees thank all of those who have funded initiatives in the year. We would particularly like to thank:

- AS Charitable Trust
- The David Pickford Charitable Foundation
- Hale Family Fund
- The Gardner Fund
- The Norman Evershed Trust
- The Shone No 2 Charitable Trust
- The Velnoweth Good Companions Trust

LEGACY

We would like to especially thank the families of those who kindly left a legacy in support of our work. These gifts are gratefully received, and the following individuals will be remembered in building a better future for our clients and the growth of the Group:

- Philip Smith
- Adam Pyke
- Miss Sheila Hooper
- J C Cahill

Their legacy lives on through all we do in helping individuals live crime-free lives.

Financial Review

A summary of the five-year financial performance is as follows:

Year	Income £`000	Operating Costs £`000	Operating Surplus £`000	Operating Surplus %	Net Surplus £	Net Surplus %
2019-20	13,430	13,156	274	2.0%	698	5.2%
2020-21	15,512	14,734	778	5.0%	977	6.3%
2021-22	16,084	16,119	(35)	(0.2%)	60	0.4%
2022-23	18,274	18,670	(396)	(2.2%)	(383)	(2.1%)
2023-24	20,291	20,601	(310)	(1.5%)	(204)	(1.0%)

The Trust is reporting an operating deficit of £310k, which is an improvement on the prior year deficit of £396k. The Trustees recognise that this position is the result in part of some proactive decisions taken during the period, which directly support the clients and staff of the Trust during a challenging economic period. The Trust has also invested in a significant new project that will deliver long-term growth and service opportunities.

The operation deficit in the period has been impacted through:

- The Trust is going through a period of transition during which it has been re-structured to position it for sustainable and achievable growth in the next decade. This has involved investment is new teams and systems, and the positive impact of this is beginning to be seen in underlying activity. The Trustees are cognizant that a further year of operational deficit is not sustainable, and the operating budget for 2024-25 has been set to generate an operating surplus and an operating cash inflow.
- The wider economic context has created cost pressures on our major inputs, not all of which have been recoverable.
- As a result of cost pressures on our clients, the Trustees agreed that a energy rebate of £400 per qualifying tenant would be given from accumulated reserves. This cost the Trust £153k and increased the deficit directly by the same amount. However, this action is in line with our values as a Christian organisation and was very much welcomed by our clients. The Trust has been able to normalise the utility supply contracts during the year and so it is not necessary to repeat this is 2024-25.
- In October 2023, the Trust was able to open a new care home in Kent. This 27-bed facility replaces a 15-bed home and will provide a higher standard of accommodation and allow the Trust to accommodate clients with higher levels of physical need. This project will deliver positive returns for the foreseeable future,

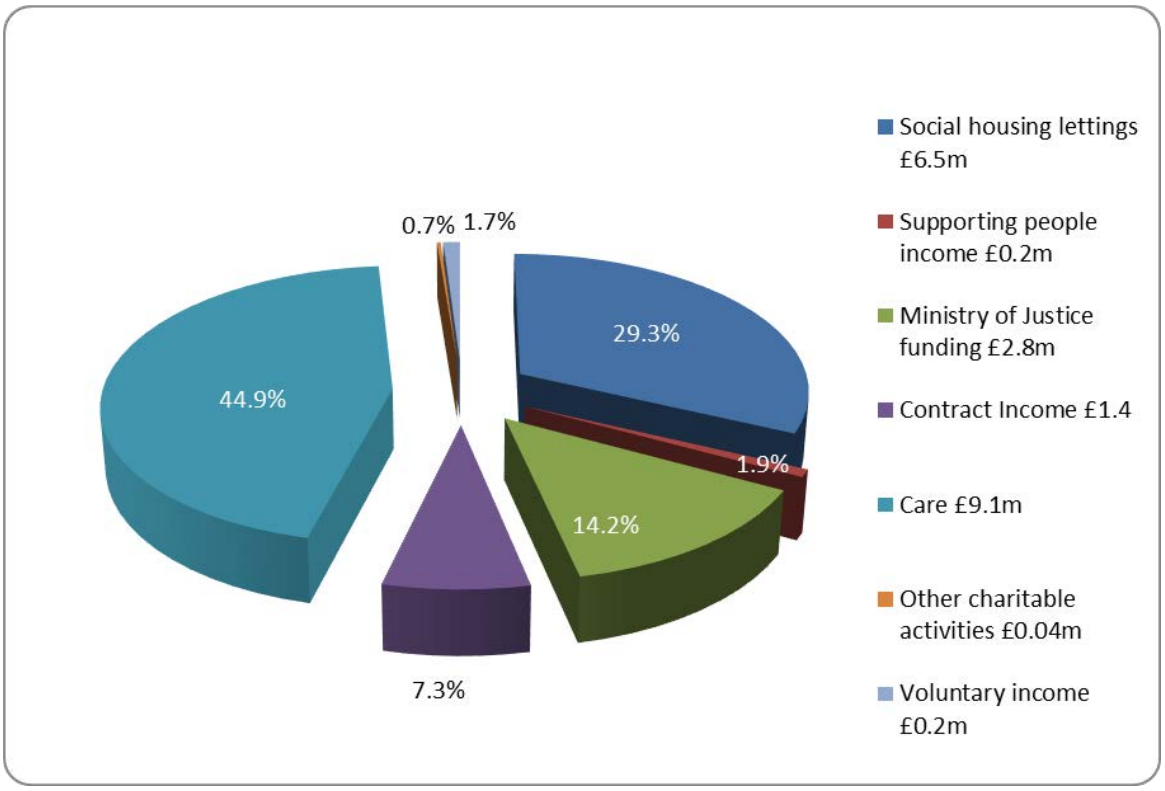
but the Trust did incur £141k of one-off costs that were written off in the year, in order to open this new home.

- In line with many other providers, the Trust has seen a sharp increase in non-payment of rents. The provision for bad debts for the year has jumped by £203k to £421k, nearly double the amounts provided for in previous years.

The Trust continues to write off all set-up costs at the point of a unit becoming available for occupancy.

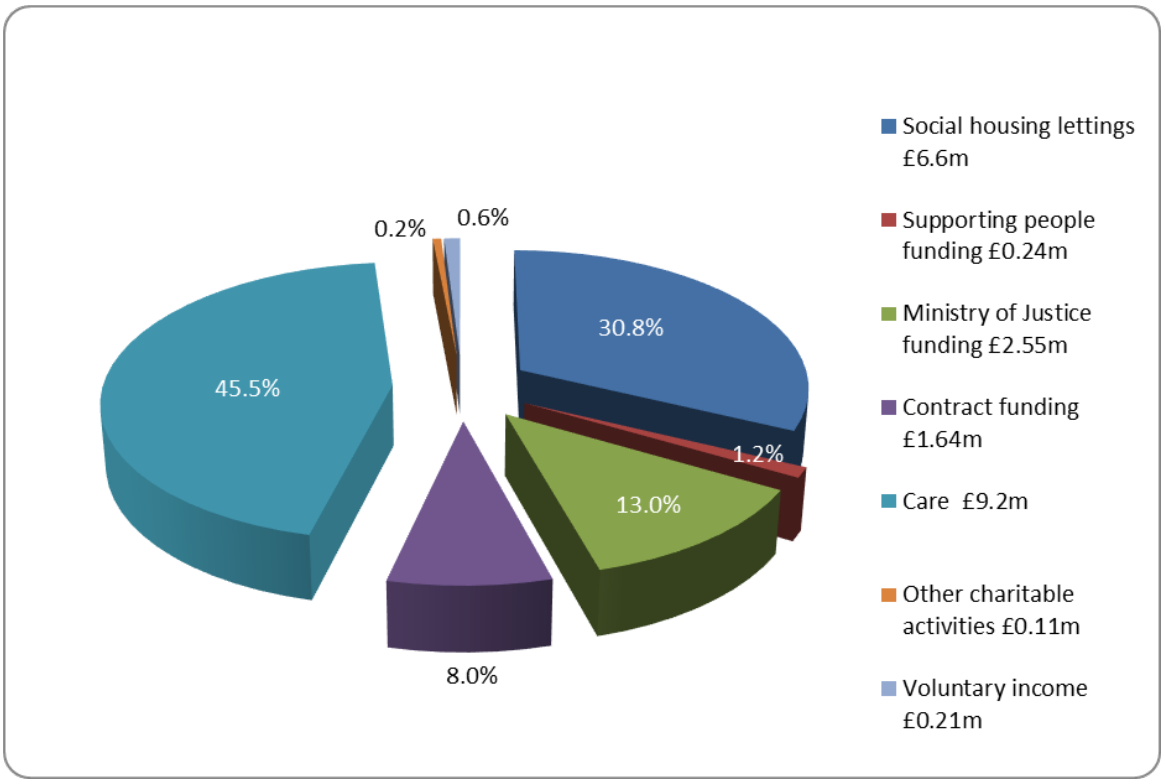
OPERATING INCOME

The operating income for the year is split across the following categories:

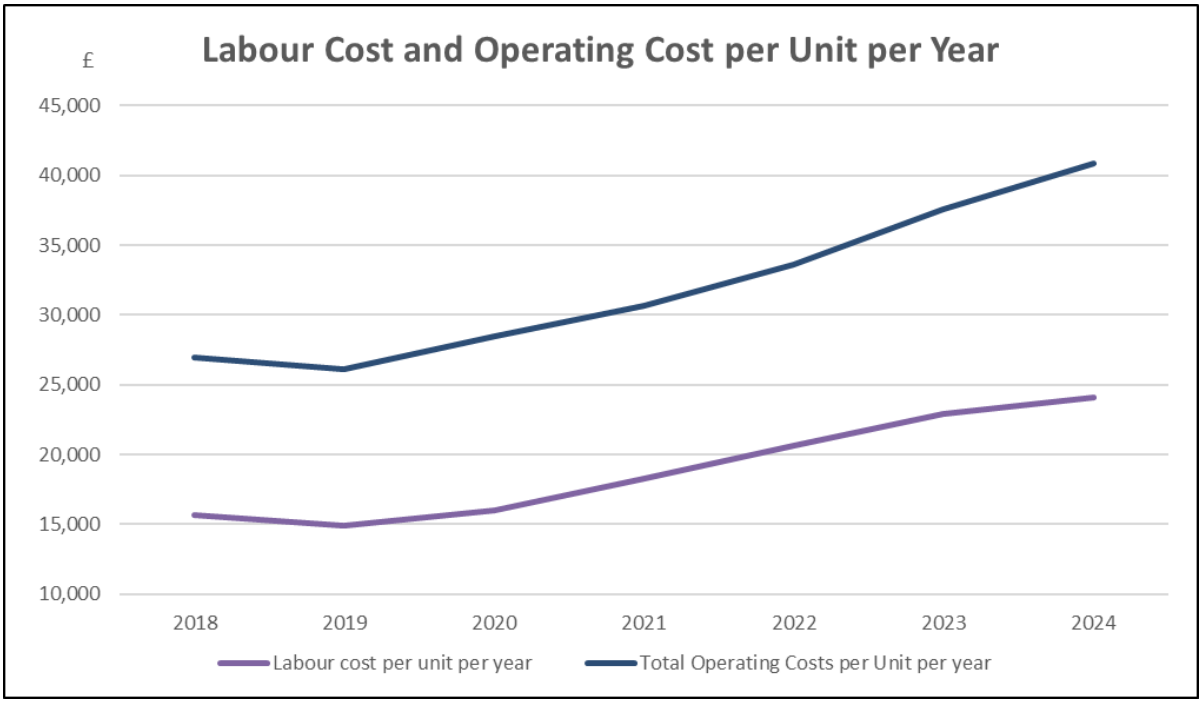


OPERATING EXPENSE

The operating expense for the year is split across the following categories:



The graph below reflects the change in the cost base of the Trust over the years:



This data shows a trend of increasing costs over the last five years. The reflects the change in operational model over that period, which has seen the main income and activity for the

Trust move from Supported Accommodation services to a greater emphasis on Residential Care, which is now the largest single revenue stream for the Trust. The provision of residential care is more expensive on a unit basis, with more staffing requirements and other specialist services such as psychology.

We have also seen significant cost pressures on the main inputs into these services, including utility, food and building maintenance; factors which have driven the cost profile shown above.

The transition of Box Tree Cottage to an Independent Approved Premise has also shifted the cost profile, as the underlying costs for providing an IAP bed are higher than in a normal hostel or supported housing environment.

After allowing for interest received, movement on investments and any disposal of fixed assets, the surplus on ordinary activities in the year was £79k (2022/23: deficit £383k).

Capital expenditure of £1,987 (2022/23: £1,993k) was spent on the Trust's housing properties, in improving the existing stock and the refurbishment of the new care home purchased in the previous year.

In accordance with the accounting standards the components that were replaced have been removed from the value of the Trust's fixed assets.

The Trust spent £269k (2022/23: £89k) on other capital equipment.

The Trust generated a cash inflow from operating activities of £518k (2022/23: £10k).

KEY PERFORMANCE INDICATORS (KPIs)

The Board used 10 KPIs to monitor the delivery of the Trust's strategic objectives. The range of KPIs includes key metrics from all areas of the Trust – operational, financial and people. The KPI performance report is a standard item that is reviewed by the Board at each meeting.

In addition, the KPI's and a fuller range of other performance indicators are reviewed at each relevant committee meeting, ensuring that all of the key metrics for the Trust are visible and can be interrogated by Committee members.

All KPI's form part of the monthly reporting to the Executive Team, allowing for further scrutiny and accountability. This forum is important as it allows for collaborative working to ensure that the Trust meets agreed performance levels in every area.

VALUE FOR MONEY (VfM)

Our Approach to VfM

As a charity and recipient of funding from both local and national government bodies, the Trust recognises that it is accountable to its supporters, funders, clients, and staff for the money it receives. The Trust is committed to making sure it gets the best value for the money it spends and actively takes steps to identify and implement improvements, which will reduce costs, remove waste and add value for its stakeholders.

The Trust has a robust framework for measuring, evidencing, and improving VfM activity and fostering a culture of empowering continuous improvement. The Trust's value chain approach of economy, efficiency and effectiveness demonstrates the culture for improving the efficiency of its processes and evidencing value for money to clients, regulators, funders and other stakeholders.

The Trust believes there is intrinsic VfM in the services it provides. The Trust works with a complex client group with unique needs that cannot be met through a general needs accommodation provider. The fact that the Trust is able to meet the needs of this group of clients represents a clear VfM outcome in itself; without the successful intervention of the Trust, these clients are likely to be placed into less appropriate services which are unable to fully meet their needs or impact on their potential to re-offend in the way Langley does.

VfM Performance During the Year

The difficulty of the Regulator applying seven metrics across the housing sector in a generic "one size fits all" approach to a provider the size of Langley Trust is that you can lose the true value and achievement of purpose.

The table below indicates an adverse outcome for the Trust with the metrics showing a mixed picture. We acknowledge that the Trust is going through a period of transition and that the fruits of that work are only now beginning to be realised. We reported last year that we expected to see improvements, so we are pleased to be able to demonstrate a reduced operating deficit while still be able to provide the quality of care that our clients require.

The Trust has also been impacted by the wider economic situation that all sectors have faced. One notable impact this year has been the increase in provision for non-payment of rent and services charges. This is against a backdrop of continued high energy and food prices, and a difficult labour market.

The UK property rental market continues to be turbulent, and we have seen numerous landlords increase their rental rates significantly. This has a direct impact on our ability to generate the level of margin we had planned for.

Nevertheless, we remain mindful that the headline for Langley Trust is that during the year

2023/2024 we were able to have a positive impact on the Clients we engaged with as detailed elsewhere in this report.

We work with adult men and women (18+), who have offended or who are at risk of offending. We are skilled in working with those deemed 'hard to place' and those with complex needs. This includes individuals who are subject to MAPPA (Multi-Agency Public Protection Arrangements).

		2023/24	2022/23	2021/22	2020/21	2019/20	Direction of Travel
1	Reinvestment	10.5%	15.8%	5.2%	0.8%	2.3%	↓
2A	New Supply (Social Housing)	2.4%	2.2%	2.7%	2.1%	6.1%	↑
2B	New Supply (Non-Social Housing)	0.0%	0.0%	0.0%	0.0%	0.0%	
5	Headline Social Housing Cost per Unit	£12,557	£10,910	£10,578	£10,429	£9,689	↓
6A	Operating Margin (Social Housing)	(3.4%)	(7.5%)	(6.4%)	(7.1%)	(6.9%)	↑
6B	Operating Margin (Overall)	(1.5%)	(2.2%)	(0.2%)	5.0%	2.0%	↑
7	Return on Capital Employed (ROCE)	(2.5%)	(3.4%)	(0.3%)	6.4%	6.2%	↑

Specific remarks on the RSH's metrics are:

1. **Re-investment** - is the acquisition and repairs and maintenance costs, plus expenditure on works to existing owned properties divided by the value of the properties owned by the organisation. The table shows that in 2023/24 the Trust's investment in properties decreased to 10.5% (down from 15.8% in 2022/23). This is largely driven by the significant reinvestment of funds to purchase a new care home in 2022/23 which was not repeated in the current period.

2. **New supply** – the Regulator expects providers to report on both the supply of social and non-social housing units. It will calculate new supply from the total number of housing units acquired in the reporting period divided by the total number of units held at the end of that period. The number of new or replacement units taken on within the year amounts to 12 units compared to 11 in 2022/23.

3. **Gearing** – this metric is designed to assess the provider's reliance on debt and appetite for growth. It divides the total owed in loans and finance leases by the

cost or deemed cost and/or valuation of housing properties and would therefore not be applicable to the Trust.

4. **Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI)** – overall surplus (or deficit), plus other income received, less grants and capitalised repairs, plus total depreciation charge divided by the total capitalised interest in housing properties and interest payable and other financing costs. Designed to assess investment capacity by measuring surplus against a provider's interest payments, it would not currently apply to the Trust.

5. **Headline social housing cost per unit** – an amalgamation of management, service charge, maintenance and repair costs, including capitalised major repairs and other related social housing expenditure such as neighbourhood and community costs divided by the total number of social housing units at the end of the reporting period. The increase to the cost base for social housing reflects the cost pressures in this area particularly with the external economic pressures driving significant increases in utility costs.

6. **Operating margin** – designed to assess the profitability of operating assets before exceptional expenses are taken into account and to give the Regulator an indication of overall value for money performance. The Regulator has proposed two measures: operating margin for social housing lettings calculated by dividing the operating surplus (or deficit) for social housing lettings by the turnover from social housing lettings only and operating margin overall, calculated by dividing the overall surplus (or deficit) by overall turnover. The Trust's overall operating margin increased by 0.7% in 2023/24 to (1.5%). The most significant factors impacting this measure are improved occupancy rates in both our social housing and care settings, less reliance on agency workers and significantly better energy pricing for the last half of the year.

7. **Return on Capital Employed (ROCE)** – a common measure used in commercial business; the Regulator suggests that this metric will demonstrate the level of efficient investment of resources. Calculated by dividing the overall surplus (or deficit), the income from any joint venture partnerships and any gain or loss from the disposal of housing properties by the provider's total assets, less its liabilities. The Trust continues to face difficulty trading circumstances but has seen improvements in key areas during the year, including improved occupancy rates in both our social housing and care settings, less reliance on agency workers and significantly better energy pricing for the last half of the year. This has resulted in a negative ROCE of 2.5%, which is an improvement on the prior year negative figure of 3.4%.

MATERIAL ESTIMATES, CONTROL AND JUDGMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The Principal Accounting Policies set out the Key Judgement Areas within Note 2.

The main judgement areas that have had the most significant effect on the Trust's accounts are:

a. Depreciation and amortisation provisions relating to fixed asset accounting, which are based on estimated useful economic lives of individual assets and apportionment of costs between components of composite assets.

b. Provision for bad debts, which are based on specific balances and past experience of bad debts.

The impact on the Trust's accounts of these estimates for the year ended 31st March 2024 is as follows:

Description	Expenditure	Income
Depreciation	£568k	
Grant Amortisation		£83k
Bad Debts Expense	£421K	

VfM and non-social housing activity

The VfM Standard requires the Board to give full consideration of value for money across their whole business. Where the Trust invests in non-social housing activity, the Board should consider whether this generates returns commensurate to the risk involved and justification where this is not the case.

The Board is satisfied that the investments made in complex need care provision, and the various advice work undertaken with ex-offenders provides real value to the Trust and is essential in enabling the Trust to meet both its charitable objects and biblical mandate.

Board's Responsibility Statement

The Board is responsible for preparing the Trustees' Strategic Report and the financial statements in accordance with applicable law and regulations.

The Companies Act 2006 and registered social housing legislation require the Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trust and of the income and expenditure for that period.

In preparing these financial statements the Board is required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Housing SORP 2018 (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statement
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business

The Board is responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the Trust and enable it to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

The Board has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Trust, and to prevent and detect fraud and other irregularities.

The Trustees, who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Trust's auditors are unaware, and each Trustee has taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The strategic report was approved by the Board on 18th July 2024 and signed on its behalf by:

Ruth Williams
Chair of the Board
18th July 2024

TRUSTEES' REPORT

The Trustees present their report and accounts for the year ended 31st March 2024.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Langley House Trust was first registered as a charity in September 1958.

The charity is a company limited by guarantee, incorporated on 20th December 2012 and registered as a charity with the Charity Commission on 8th March 2012. The company was also registered with the Regulator of Social Housing on 1st March 2012 as a non-profit social housing landlord and was registered with the Financial Conduct Authority (FRN716378) on 4th January 2016.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount of no more than £1.

The Trustees, who are also Directors for the purpose of company law and who served during the year, are listed on page 2.

From 1st April 2023, all of the former subsidiaries were divested and so this report relates solely to the charity.

The Board is responsible for major strategic decisions and has ultimate responsibility for the conduct and financial stability of the Trust. It seeks to support the Executive in a culture of mutual confidence and trust. During the year, two new Trustees were appointed following an open selection process based on relevant skills and knowledge.

In addition to the Board members, the Trust has a number of honorary roles, namely Patrons and Fellows, who represent the Trust externally in different capacities.

The Trust has an Audit, Risk & Compliance Committee, a People Committee, a Finance & Resources Committee, a Mission Committee, a Quality Committee and a National Consultative Group. These Committees have clear terms of reference and report directly to the Board. Each is chaired by a Trustee and serviced by Executive Directors. The Board delegates to the Chief Executive full control over the operation of the Trust within policy. The Chief Executive and other members of the Executive, titled Directors, attend meetings of the Board. The term "Directors" should not be construed as Directors under the Companies Act. It is the duty of the Chief Executive to further the mission of the Trust and to ensure that management is efficient, effective and runs in accordance with good business practice. The Board determines the remuneration and the conditions of employment of the staff. The Board monitors and reviews the quality, effectiveness and timeliness of information provided by the Executive. The Board has access to independent professional advice if necessary.

The Articles of Association allow the Trustees to deposit or invest its funds. The Board will secure expert advice, where necessary, before investing funds. In deciding where and how to invest its funds, the Board will always consider suitability of the investment and the overall diversification of the funds it has already invested. The Board has approved a Treasury Management Policy to assist with this area of responsibility.

The Board is content that the Trust complies with the NHF Code of Governance 2020 in the areas in which it applies to the Trust. Any potential conflicts of interest are declared at every meeting. None are declared as existing at the date of this report.

COMPLIANCE WITH THE GOVERNANCE AND VIABILITY STANDARD

The Board confirms that the Trust has met the Regulator of Social Housing's regulatory expectations in relation to the governance and financial viability standard, the exception of the guidance on the terms for Board tenure. The Board considers that to fully comply with the Code requirements on Board tenure would create unacceptable risks in the short to medium term.

The Trust is currently not a member of a peer benchmarking group and is actively seeking a group which will add value to the Trust's Value for Money agenda.

The Board confirms compliance with all legal and regulatory requirements for companies registered under the Companies Act 2006 and for charities registered under the Charities Act 2011.

STAFF AND VOLUNTEERS

Our people are at the centre of what we do at Langley, and we would not be able to achieve our mission without them. Many staff and volunteers join the Trust because they are committed to the mission and values of the organisation, and they go above and beyond to deliver great services and care for our clients.

As of 31st March 2024, Langley House Trust had 312 employees, including temporary staff, and excluding relief and agency workers (March 2023- 309 comparison). The Trust has increased its staffing by just less than 1% over the past year.

The Trust recognises the vital role volunteers play in assisting in the delivery of a high-quality service to clients. Volunteers provide valuable support in a range of different contexts and work alongside our staff enabling us to undertake value-added activities with clients. During 2023 the Trust appreciated the support of 97 volunteers working across a range of roles. This includes Trustees, Chaplains, professional coaches who supported our staff development, and volunteers working within services supporting client activities and carrying out work around the service grounds.

GENDER AND ETHNICITY PAY GAP REPORTING

The Trust is committed to fair pay and in line with this we published our Gender Pay Gap Report during the year. The mean gender pay was 7% (2023: 9%) representing higher mean hourly pay for males. The median gender pay gap of 0.4% (2023: 0%) reflects a small gap in the median pay for males and females.

It is not mandatory to measure the ethnicity pay gap; however, we have chosen to report on this measure to identify and address any emerging issues. The mean ethnicity pay gap in hourly pay is 5% (2023:2%) lower for ethnically diverse employees. The median ethnicity pay gap is at 3% (2023: 4%) lower for white staff due to the higher number of white staff in the employee population.

We have ongoing plans to monitor, publish and create action plans for the gender and ethnicity pay each year so this continues to support our values within the Trust.

STATEMENT ON THE TRUST'S SYSTEM OF INTERNAL CONTROL

The Board has overall responsibility for establishing and maintaining the system of internal control and reviewing its effectiveness. Trustees recognise that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives, however, the system of internal control implemented by the Trust has been designed to manage key risks and provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance to the Board regarding the preparation and reliability of financial and operational information and the safeguarding of the Trust's assets and interests.

In meeting their responsibilities, the Trustees have adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Trust is exposed. The process adopted by the Trustees in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

1. **Identification and evaluation of key risks –** Management responsibility has been clearly defined for the identification, evaluation, and control of significant risks. There is a formal and on-going process of management review in each area of the Trust's activities. The Executive Team regularly considers significant risks facing the Trust and the Chief Executive is responsible for reporting to the Trustees any significant changes affecting key risks. In accordance with the Trust's Risk Management Policy, the Summary Risk Map is formally reviewed by the full Board at least once a year and the highest risks facing the Trust are discussed at each Audit, Risk & Compliance Committee meeting.
2. **Environment and control procedures –** The Trustees retain responsibility for a

defined range of issues covering strategic, operational, financial and compliance issues. The Trust's Articles of Association, policies and procedures cover issues such as delegated authority, segregation of duties, accounting, health and safety, data protection, fraud, and whistleblowing. The Trust also has an extensive range of policies and procedures relating to the safe management of the client group with which it works to minimise the risk to clients, staff and the wider public.

The Trust also holds an Asset and Liability Register in line with regulatory requirements, which provides a collated view of the Trust's assets and contract liabilities. The integrity of the register is audited and reported to the Executive Team on a quarterly basis.

3. **Information and financial reporting systems –** The Trustees review and approve the annual budget and the 5-year financial plan for the Trust. Financial reporting procedures include detailed management accounts and forecasts, which are reviewed by the Executive Team and are presented to the full Board of Trustees monthly. The Board also reviews key performance indicators to assess progress towards the achievement of key business objectives, targets, and outcomes at each Board meeting.

4. **Monitoring and corrective action –** A process of regular management reporting on control issues provides assurance to senior management and to Trustees. This includes ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and delivery of our services.

The internal control framework and the risk management process are subject to regular review by Internal Auditors, who advise the Executive Team and report to the Audit, Risk & Compliance Committee. A three-year Internal Audit Plan exists to assist in this process and is approved annually by the Audit, Risk & Compliance Committee. Progress against the plan is also monitored throughout the year and the Audit, Risk & Compliance Committee formally reviews the performance of the Internal and External Auditors once a year. The Audit, Risk & Compliance Committee considers internal control and risk at each of its meetings during the year. In addition to Internal Audit, the Executive Team receives assurance on the operation of internal controls through a self-assessment audit toolkit used by the managers of its various services.

The Audit, Risk & Compliance Committee conducts an annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of risk management and control process. The Audit, Risk & Compliance Committee reports on progress to each Board meeting and submits an annual report to the Board of Trustees. In preparing its report, the Audit, Risk & Compliance Committee takes into account the various reports of the Internal and External Auditors, the Chief Executive's Annual Report on Internal Control, other reports from the Executive to the Audit, Risk & Compliance Committee and full Trustee Board and inspection reports from the Care Quality Commission, the Regulator of Social Housing and other regulatory bodies.

THE PREVENTION, DETECTION, REPORTING AND RECOVERY OF FINANCIAL CRIME AND FRAUD

The Trust takes fraud and other financial crime seriously. The Trust's Fraud and Prevention of Financial Crime Polices set out management responsibilities to ensure an adequate control system is in place to minimise the risk of fraud and other financial crimes such as money laundering and to ensure a reasonable likelihood of early detection. These policies also state the procedure to be followed in the event of suspected fraud, money laundering or other financial crime, including reporting requirements and any subsequent action to be taken for recovery.

The Trust maintains a register of actual and attempted frauds and thefts. The contents of the register are reported annually to the Audit, Risk & Compliance Committee. During 2023-2024there were no significant losses identified as a result of fraud. The Trustees confirm that there is an on-going process for identifying and managing significant risks of fraud and other financial crime faced by the Trust. This process has been in place throughout the year, up to the date of the annual report and accounts, and is regularly reviewed by the Audit, Risk & Compliance Committee.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trust's main sources of income are various forms of government funding and grants. This means that the Trust is therefore at risk from changes in policy in regard to funding and the strategic priorities given to the rehabilitation of offenders both at a national and local level by the government.

There is ever-increasing public scrutiny of the quality of housing provided by housing associations. The Trust is aware of the risk of properties we hold under rent or lease arrangements not being maintained by the Landlords to the correct standard. During the year the Trust employed a new Head of Property with a clear focus on the quality of the housing stock held by the Trust., whose role includes overseeing our social housing improvement programme.

A further serious risk to the Trust is the ability to recruit and train sufficient staff of the correct calibre, at all levels throughout the Trust, to deliver safe services to the quality our clients expect and deserve. This is a sector-wide issue, and the Trust is implementing a number of initiatives within our cost envelope to make the Trust an attractive employer.

The post-pandemic developments around hybrid working and the increasing use of IT systems inevitably increases the gateways for our systems to be subject to cyber threat. During the year, a comprehensive review of the IT infrastructure was undertaken and as a result a new senior IT post was created. This specific aim of this role is to ensure the Trust's systems remain safe and secure, but also to place the Trust on a pathway to digitalisation that will enhance what we can do for our clients and increase Value for Money. We have successfully retained ISO27001 and obtained Cyber Essentials +.

RESERVES

The Trust's Reserves Policy has identified that a contingency equivalent to twelve weeks' operating expenditure needs to be maintained to cover identifiable and quantified risk and to allow the Trust sufficient time to be able to restructure its operations minimising the disruption to clients. The Trust is compliant with this policy.

Analysis of the Trust's reserves is shown in the Statement of Changes in Reserves.

EQUALITY, DIVERSITY AND INCLUSION

The Trust's approach to Equality, Diversity and Inclusion is set out in its Trust Equality, Diversity and Inclusion Policy.

The Trust understands the vital role that Equality, Diversity and Inclusion plays in creating an environment in which our staff, volunteers and clients can reach their full potential. We appreciate and celebrate difference and individuality, respecting everyone as being made in God's image and having an intrinsic value, a view strongly upheld by our Trustees and senior management team.

There is no place for racism or any other form of discrimination within the Trust. It is not just illegal but goes against all that we stand for as outlined in our values. Trust staff are asked to challenge any racist or discriminatory behaviour that they witness, experience, or hear about and then report it. The CEO's commitment is to ensure all allegations are investigated and appropriate action taken.

HEALTH AND SAFETY

The Board and the Trust's employees maintain a high level of attention to and awareness of Health and Safety across the organisation. The Board, through the Audit, Risk & Compliance Committee, receives regular reports in relation to Health and Safety and over the last few years has ensured it remains an area for Internal Auditors to validate.

Regular internal Health and Safety audits have taken place during the reporting period alongside unannounced audits from an external health and safety professional. The findings lead to the creation and implementation of an action plan.

QUALITY AND QUALITY MANAGEMENT

The Director of Care and Quality is the lead officer for the Quality Strategy and regularly reports on performance to the newly formed Quality Committee and where required, to the Audit, Risk & Compliance Committee and to the Board.

PARTNERSHIPS

The Trust is well regarded by its partner agencies. It is commissioned by a range of public bodies, including the Ministry of Justice and Local Authorities. The Trust has also entered into a number of formal sub-contracting arrangements, which has enabled it to deliver targeted services in new and existing areas. The Trust holds regular meetings with its stakeholders to discuss progress, service delivery and to ensure targets are met.

We appreciate the confidence shown to us by those organisations, who have provided grant funding to ensure the Trust can flourish, evolve, and develop new services. Some of these organisations have provided funding over several years.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Reducing reoffending benefits the whole population. The Trust's work is financed through funding from local and central government and other public authorities, and through legacies, donations, and grants. Residents contribute to their accommodation costs but are entitled to claim Housing Benefit and other benefits to allow them to finance their stay; therefore, those in poverty are not excluded from the opportunity to benefit from the Trust's services.

The Trustees' report was approved by the Board on 18th July 2024 and signed on its behalf by:

Ruth Williams
Chair of the Board
18th July 2024

STATISTICS

for the year 2023-2024

121
clients identifying as ethnically diverse

274
clients with self-disclosed disability

495
bed spaces available

1778
clients received our services in the last year

89%
of care clients surveyed reported their care and support is either good or excellent

554
clients accessed Activity Hubs in the community

302
new lettings

75%
of clients surveyed knew how to raise a complaint

4th
Staff Network launched

1
new care home opened

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2024

Opinion

We have audited the financial statements of Langley House Trust ('the Trust') for the year ended 31 March 2024 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Trust's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing.

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 financial statements section of our report. We are independent of the 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 Trustee's 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 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.

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements or our knowledge obtained in 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 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.

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2024

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Trust and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

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

- the company has not kept adequate accounting records; or
- the 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 23, the Trustees (who are also the directors of the Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2024

We obtained an understanding of the legal and regulatory frameworks within which the Trust operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing, together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Trust's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Trust for fraud. The laws and regulations we considered in this context for the UK operations were the Regulator of Social Housing regulations, CQC Regulations for service providers and managers, employment legislation and taxation legislation.

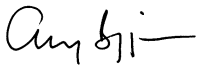
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit, Risk & Compliance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over the timing of income, reviewing accounting estimates for biases, reviewing internal audit reports, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor
Fourth Floor
St James House
St James' Square
Cheltenham
GL50 3PR
Date: 21 August 2024

Langley House Trust
Statement of Comprehensive Income
For the Year Ended 31 March 2024

	Note	2024 £000	*2023 £000*
Turnover	**3**	20,291	*18,274*
Cost of sales		-	-
Gross profit		**20,291**	***18,274***
Operating expenditure	**3**	(20,601)	*(18,670)*
Operating deficit	**3**	(310)	*(396)*
Movement in fair value of investments	**17**	66	*(40)*
Surplus/(loss) on disposal of fixed assets	**7**	31	*(7)*
Interest receivable and other income	**8**	105	*60*
Grant payable	**9**	(100)	-
Gift from Kainos Community	**10**	287	-
Surplus/(Deficit) before tax		79	*(383)*
Taxation		-	-
Surplus/(Deficit) for the year after tax		79	*(383)*
Total comprehensive income for the year		**79**	***(383)***

The notes on pages 41 to 56 form an integral part of these accounts.

Langley House Trust
Statement of Financial Position
For the Year Ended 31 March 2024

	Note	2024 £000	*2023 £000*
FIXED ASSETS			
Housing properties	15	9,046	*7,984*
Other fixed assets	16	371	*253*
Investments	17	883	*963*
Total fixed assets		**10,300**	***9,200***
CURRENT ASSETS			
Debtors	18	1,724	*1,908*
Cash in hand and at bank		2,636	*3,298*
Total current assets		**4,360**	***5,206***
CURRENT LIABILITIES			
Less Creditors: amounts falling due within one year	19	(3,113)	*(2,856)*
Net current assets		**1,247**	***2,350***
Total assets less current liabilities		**11,547**	***11,550***
Creditors: amounts falling due after more than one year	20	(2,678)	*(2,760)*
Total net assets		**8,869**	***8,790***
Reserves			
Restricted reserves		8	*8*
Revenue reserves		8,861	*8,782*
Total capital & reserves		**8,869**	***8,790***

The financial statements were approved and authorised for issue by the Board on 18 July 2024 and were signed on its behalf by:

Ruth Williams	Stephen Cooper	Simon Herbert
Chair of the Board	**Board Member**	**Secretary**

Registered Company number: 7888191

The notes on pages 41 to 56 form an integral part of these accounts.

Langley House Trust
Statement of Changes in Reserves
For the Year Ended 31 March 2024

	Income and expenditure reserve £000	Restricted reserves £000	Total £000
Balance as at 31 March 2022	**9,168**	**5**	**9,173**
Deficit for the year	(383)	-	(383)
Transfers from restricted reserves	(3)	3	-
Balance as at 31 March 2023	**8,782**	**8**	**8,790**
Surplus for the year	79	-	79
Balance as at 31 March 2024	**8,861**	**8**	**8,869**

The notes on pages 41 to 56 form an integral part of these accounts.

Langley House Trust
Cash Flow Statement
For the Year Ended 31 March 2024

	Note	2024 £000	*2023 £000*
Net cash from operating activities	i	518	*10*
Cash flow from investing activities			
Purchase of housing properties		(1,482)	*(1,993)*
Purchase of other fixed assets		(270)	*(89)*
Proceeds on sale of fixed assets		34	-
Sale of investments		146	-
Current liabilities acquired on transfer of undertaking		(28)	-
Net cash acquired with subsidiary undertakings		315	-
		(1,285)	***(2,082)***
Cash flow from financing activities			
Interest received		105	*60*
Net change in cash equivalent		**(662)**	***(2,012)***
Cash and cash equivalents at beginning of the year		**3,298**	***5,310***
Cash and cash equivalents at the end of the year		**2,636**	***3,298***

Note i - reconciliation of net cash flow from operating activities	**2024 £000**	***2023 £000***
(Loss)/Surplus for the year	**(310)**	***(396)***
Depreciation of tangible fixed assets	568	*504*
Amortisation of Grants	(83)	*(83)*
(Increase)/Decrease in debtors	184	*(180)*
Increase in creditors	259	*165*
Clean Sheet grant	(100)	-
Net cash inflow from operating activities	**518**	***10***

The notes on pages 41 to 56 form an integral part of these financial statements.

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2024

1. LEGAL STATUS

Langley House Trust is registered in England and Wales as a Company Limited by Guarantee (No. 7888191), as a charity with the Charity Commission (No. 1146304) and as a Social Housing Provider with the Regulator of Social Housing (No 4693) as defined by the Housing and Regeneration Act 2008. The registered office is 3 & 4 The Square, Mansfield Avenue, Walsgrave, Coventry, CV2 2QJ.

2. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

Basis of accounting

The financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing. The accounts are prepared on the historical cost basis of accounting as modified by current asset investments held at valuation and are presented in sterling £.

The financial statements have been prepared in compliance with FRS 102.

As a public benefit entity, Langley House Trust has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

Going concern

The financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Turnover

Turnover comprises rental income, service charge income, income from contracts with statutory bodies, including Supporting People Block contracts and care fee income, Ministry of Justice contract, other revenue grants and income from the sale of other goods and services. Such income is recorded in the accounts as it becomes receivable.

The turnover of the Trust also includes legacies, donations, gifts and other income, the accounting treatment of which is included in separate accounting policies.

Supporting People income and expenditure

The Trust operates a number of Supporting People Block contracts. The income from these contracts is recognised in the Statement of Comprehensive Income in the year in which it is receivable and expenditure charged to it in accordance with the matching concept.

Legacies

Legacies are credited as income where the legacy has been received or if, before receipt, where there was sufficient evidence to provide the necessary certainty that the legacy would be received and its value known with sufficient reliability.

Donations, gifts and other income

Donations, gifts and other income are credited as income in the year in which they were receivable.

Operating leases

Amounts due under operating leases are charged to the income and expenditure account as incurred.

Pensions

Contributions made by the Trust into pension schemes on behalf of employees are recognised within operating costs in the income and expenditure account for the period to which it relates.

Employee Benefits

A liability is recognised to the extent of any employee benefits including unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted cost to the employees of the future holiday entitlement and accrued at the statement of financial position date.

Fixed assets

Valuation of housing properties

The Trust operates many of its services from properties it either owns or leases in which living accommodation is provided for clients. Housing properties are included in the accounts at cost less depreciation, unless impairment has occurred or the properties have been transferred from another Registered Provider or charity.

A housing property comprises of several components with substantially different useful economic lives. Each major component is accounted for separately and depreciated over its individual useful economic life as set out in the Fixed Assets section above. Land is treated as a separate asset and not depreciated.

The cost of acquiring land and buildings, including professional fees, and development costs are included in the costs.

Depreciation and impairment of fixed assets, including housing properties

Freehold land is not depreciated. Depreciation on all other assets is calculated to write off the cost of fixed assets on a straight line basis over their estimated useful economic lives.

Fixed assets are depreciated on a straight line basis by equal instalments over their useful economic lives at the following annual rates:

Freehold properties (excluding land):

	Useful economic life	Depreciation rate
Pitched roofs	50 years	2%
Flat roofs	20 years	5%
Windows and external doors	25 years	4%
Heating	20 years	5%
Electrical	25 years	4%
Bathrooms	25 years	4%
Kitchens	20 years	5%
Lifts	10 years	10%
Structure	50 years	2%
Plant and equipment	5 years	20%
Computers	4 years	25%
Motor vehicles	4 years	25%

Leasehold properties are depreciated by equal instalments over the life of the lease or their estimated useful economic life if shorter.

The carrying values of tangible assets are reviewed for impairment where events or changes in circumstances indicate that the carrying values may not be recoverable.

Works to existing housing properties

Expenditure which results in an enhancement of the economic benefits of a property, the creation of a new property component or the replacement of a component that has been treated separately for depreciation purposes is capitalised. In all other instances expenditure on existing properties is charged to the income and expenditure account. This includes expenditure incurred to ensure that the property can maintain its expected level of net rental income or the standard of performance anticipated when the asset was first acquired or constructed or last replaced.

An enhancement of the economic benefits means an increase in the rental stream, a reduction in future maintenance costs or a significant extension of the life of the property.

Social Housing and Government Grants (SHG)

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

SHG must be recycled by the Trust under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Non-monetary government grants

On disposal assets for which non-monetary government grants are held as liabilities in the Statement of Financial Position, the unamortised amount in creditors is derecognised and recognised as income in the Statement of Comprehensive Income.

Investments

Investments are stated at market value.

The Investments held have been classified as fixed asset investments as the Trust intends to hold them on a continuing basis, are re-measured to market value at each statement of financial position date. Gains and losses on re-measurement are recognised in the Statement of Comprehensive Income for the period.

Provisions

The use of provisions is restricted to situations where a liability exists, for example arising under a contract, but where there is some uncertainty as to the timing of the amount of the expenditure or the identity of the creditor.

Restricted reserves

Grants and donations received which have restrictions as to their use are included in restricted reserves. The value of the reserve shown in the balance sheet is shown net of any transfers to the general revenue reserve in respect of expenditure to be financed by the restricted reserve.

Revenue reserves

Due to the ever changing nature of policy, funding streams and risk, Trustees are of the view that not every risk and impact can be envisaged.

The Trust's reserves policy has identified that a contingency equivalent to twelve weeks' operating expenditure needs to be maintained in order to cover identifiable and quantified risk and to allow the Trust sufficient time to be able to restructure its operations minimising the disruption to clients.

Financial instruments held by the Trust are classified as follows:

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for at amortised historic cost.

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses reported in surplus or deficit. The Trust has no non-basic financial instruments at the year end.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

a) **Categorisation of housing properties:**
The Trust has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Trust has considered if the asset is held for social benefit or to earn commercial rentals.

b) **Impairment:**
The Trust has identified a cash generating unit for impairment assessment purposes at a property scheme level.

Other key sources of estimation and assumptions:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Recoverability of rent arrears

The Trust make an estimate of the recoverable value of rent arrears based on factors including the ageing profile of the rental debtors in addition to historical experience of difficulties in recovering rent arrears for clients that have moved on from our services.

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS / (DEFICIT)

	2024 Turnover	Operating costs	Operating Surplus/ (deficit)
	£000	£000	£000
Social Housing Lettings (Note 5)	6,483	6,605	(122)
Other social housing activities			
Supporting People	176	246	(70)
Activities other than social Housing			
Care and spot funding	9,099	9,208	(109)
Ministry of Justice	2,791	2,547	244
Other government contracts	1,445	1,637	(192)
Voluntary Income	213	206	7
Other	47	115	(68)
Income for generating funds	37	37	-
	20,291	**20,601**	**(310)**

	2023 Turnover	*Operating costs*	*Operating Surplus/ (deficit)*
	£000	*£000*	*£000*
Social Housing Lettings (Note 5)	*5,347*	*5,749*	*(402)*
Other social housing activities			
Supporting People	*349*	*354*	*(5)*
Activities other than social Housing			
Care	*8,176*	*8,491*	*(315)*
Ministry of Justice	*2,603*	*2,423*	*180*
Other government contracts	*1,340*	*1,475*	*(135)*
Voluntary income	*295*	*114*	*181*
Other	*129*	*32*	*97*
Income for generating funds	*35*	*32*	*3*
	18,274	***18,670***	***(396)***

4. UNITS/BED SPACES

	Social Housing Lettings		Other Social Housing		Total
	Supported Housing	Care Homes	Registered Care Beds	General Needs	
Social Housing					
At 31 March 2024	395	-	101	-	496
At 31 March 2023	*381*	-	*116*	-	*497*

	2024	2023
Non-social Housing		
Under management at start of year	**3**	*3*
Under management at end of year	**3**	*3*

The Trust also owns 43 units *(2023: 43 units)* of accommodation managed by a third party. As the rights and obligations of the scheme have been transferred to the managing organisation, these units are not included in these accounts.

5. TURNOVER AND OPERATING EXPENDITURE

	Supported housing 2024 £000	Care Homes 2024 £000	TOTAL 2024 £000	*TOTAL 2023 £000*
INCOME				
Rents receivable	3,054	109	**3,163**	*2,633*
Service income	3,155	82	**3,237**	*2,632*
Amortised government grants	65	17	**82**	*82*
Turnover from Social Housing Lettings	6,274	208	**6,482**	*5,347*
EXPENDITURE				
Management	2,174	90	**2,264**	*2,390*
Services	3,115	43	**3,158**	*2,493*
Routine maintenance	533	15	**548**	*379*
Planned maintenance	17	11	**28**	*47*
Bad debts	448	19	**467**	*228*
Depreciation of Housing Properties	231	10	**241**	*212*
Operating costs on Social Housing Lettings	**6,518**	**188**	**6,706**	*5,749*
OPERATING (DEFICIT) /SURPLUS ON SOCIAL HOUSING LETTINGS ACTIVITIES	(244)	20	**(224)**	*(402)*
Void losses	(815)	(46)	**(861)**	*(853)*

6. OPERATING SURPLUS

Is stated after charging/(crediting):	**2024 £000**	*2023 £000*
Depreciation of housing properties	420	*363*
Depreciation of other tangible fixed assets	149	*142*
Operating lease rentals:		
Land and buildings	537	*493*
Office equipment	5	*5*
Auditors remuneration (excluding VAT):		
In their capacity as external auditors	24	*16*
Other fees	6	*6*
Gain/(Loss) on sale of other fixed assets	31	*(7)*

7. SURPLUS/(LOSS) ON DISPOSAL OF FIXED ASSETS

	2024 £000	*2023 £000*
Proceeds of sales	34	-
Carrying value of fixed assets disposed of during the year	(3)	*(7)*
SURPLUS/(LOSS) ON DISPOSAL	**31**	***(7)***

8. INTEREST RECEIVABLE AND OTHER INCOME

	2024 £000	*2023 £000*
Dividends received on investments	32	*30*
Bank interest	73	*30*
TOTAL	**105**	***60***

9. GRANT PAYABLE

	2024 £000	*2023 £000*
Clean Sheet Grant	**100**	**-**

From 1 April 2023 Clean Sheet became its own independent charity again. The Trust agreed to provide a grant of £300k to Clean Sheet between April 2023 up to March 2026 to support Clean Sheet in its onward sustainability. The grant is paid in three equal annual instalments, this is the first payment made in relation to the grant.

10. GIFT FROM KAINOS COMMUNITY

On 1 April 2023, the trade and assets of Kainos Community which was a wholly owned subsidiary of the Trust were acquired by Langley House Trust, and Kainos Community ceased trading. This transaction is accounted as a combination that is in substance a gift as defined in FRS 102 and the SORP.

11. EMPLOYEE INFORMATION

	2024	*2023*
The average number of staff employed during the year, expressed as full time equivalents, (i.e. 35 hours per week) was:	313	*289*

Staff costs	**2024 £000**	*2023 £000*
Wages and salaries	9,114	*8,056*
Social security costs	847	*774*
Other pension costs	358	*335*
Other Employee benefits	-	*5*
TOTAL	**10,319**	*9,170*

During the year ended 31 March 2024, the Trust made severance and redundancy payments of £26k *(2023: £10k).*

The number of staff whose emoluments plus taxable benefits amounted to over £60,000 during the year was as follows:

	2024	*2023*
£70,000 - £80,000	3	*2*
£80,000 - £90,000	1	*2*
£110,000 - £120,000	1	*1*

12. PENSION OBLIGATIONS

The Trust contributes to a group personal (defined contribution) pension scheme for those qualifying employees who have chosen to join the scheme.

The Trust has no legal or constructive obligation to pay further contributions if the pension provider does not have sufficient assets to pay all benefits relating to employees' service in current and prior periods. Individual members benefits are determined by reference to contributions paid into the scheme in respect of that member.

The cost of the pension scheme is equal to the contributions payable to the scheme for the accounting period. The cost is recognised within operating costs in income and expenditure account for the period to which it relates.

13. DIRECTORS' EMOLUMENTS

No emoluments were paid to Company Directors in 2024 or 2023 by the Trust. They do receive reimbursement of necessary expenses incurred on behalf of the Trust. In 2024 reimbursement of Directors' expenses totalled £4k *(2023: £3k).*

	2024 £000	*2023 £000*
The aggregate emoluments paid to or receivable by non-executive Directors and former non-executive directors	-	-
The aggregate emoluments paid to senior officers, including salary, employer's pension contributions and benefits-in-kind	**501**	*490*
The emoluments paid to highest paid officer (Chief Executive), including benefits-in-kind but excluding employer's pension contributions	**118**	*117*

The Chief Executive was the highest paid officer and is an ordinary member of the pension scheme. The pension scheme is a group personal (defined contribution) pension scheme funded by the employer, with voluntary contributions payable by the employee. No enhanced or special terms apply to the Chief Executive and there are no additional pension arrangements.

Directors (key management personnel) are defined as members of the Board, the Chief Executive and any other person who is a member of the Senior Management Team or its equivalent.

14. TAXATION STATUS

HM Revenue & Customs accepts that Langley House Trust is a charity for tax purposes. The Trust's taxable turnover falls below that required for VAT registration. The Trust has not elected to be taxed.

15. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Completed £000	Under Construction £000	Total £000
COST/VALUATION			
At 1 April 2023	*12,545*	*38*	*12,583*
Additions	1,482	-	1,482
Transfers	38	(38)	-
At 31 March 2024	14,065	-	**14,065**
DEPRECIATION			
At 1 April 2023	*4,599*	-	*4,599*
Charge for year	420	-	420
At 31 March 2024	**5,019**	-	**5,019**
NET BOOK VALUE at 31 MARCH 2024	**9,046**	-	**9,046**
NET BOOK VALUE at 1 April 2023	*7,946*	*38*	*7,984*

Housing properties comprise:

	2024 £000	*2023 £000*
Freeholds	8,672	*7,572*
Long Leaseholds	16	*16*
Short Leaseholds	358	*358*
Assets under construction	-	*38*
	9,046	*7,984*

16. TANGIBLE FIXED ASSETS – OTHER

	Plant & equip £000	Motor vehicles £000	Total £000
COST/VALUATION			
At 1 April 2023	*822*	*308*	*1,130*
Additions	151	119	270
Disposals	(111)	(51)	(162)
At 31 March 2024	**862**	**376**	**1,238**
DEPRECIATION			
At 1 April 2023	*631*	*246*	*877*
Charge for year	104	45	149
Disposals	(111)	(48)	(159)
At 31 March 2024	**624**	**243**	**867**
NET BOOK VALUE at 31 March 2024	**238**	**133**	**371**
NET BOOK VALUE at 1 April 2023	*191*	*62*	*253*

17. FIXED ASSET INVESTMENT

	2024 £	*2023 £*
Market value of investments at start of year	963	*1,003*
Market value of investment sold during the year	(146)	-
Market value of investments at end of year	**883**	*963*
(Loss)/Gain in value during the year	**66**	*(40)*
(Loss)/Gain recognised in the Statement of Comprehensive Income	66	*(40)*
	66	*(40)*
Historic Cost of Investments	464	*599*

All investments are either unit trusts or fixed term investments with UK banks.

18. DEBTORS

	2024 £000	*2023 £000*
Amounts falling due within one year:		
Rent arrears	1,811	*1,186*
Less: provision for bad debts	(1,376)	*(987)*
Non rental arrears	859	*1,274*
Less: provision for bad debts	(77)	*(145)*
Prepayments and accrued income	507	*480*
Intercompany balance	-	*100*
	1,724	*1,908*

19. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £000	*2023 £000*
Rent credit balances	311	*239*
Non rental credit balances	531	*613*
Trade creditors	334	*217*
Taxation, social security and pension payable	262	*260*
Accruals and deferred income	1,592	*1,443*
Deferred capital grant (note 20b)	83	*84*
	3,113	***2,856***

On June 28th, 2024, the Trust entered a new loan agreement for £490,000 with Kingdom Bank Limited, to enable the purchase of a freehold building. This loan was on normal commercial rates.

20. (a) CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024 £000	*2023 £000*
Deferred capital grant (note 20b)	2,678	*2,760*
	2,678	***2,760***

20. (b) DEFERRED CAPITAL GRANT

	2024 £000	*2023 £000*
At the start of the year	2,844	*2,927*
Grant received during the year	-	*-*
Released to income in the year	(83)	*(83)*
At the end of the year	**2,761**	*2,844*
Amount due to be released <1 year	83	*84*
Amount due to be released >1 year	2,678	*2,760*
	2,761	*2,844*
Total grant received	**4,721**	*4,721*

21. CAPITAL COMMITMENTS

	2024 £000	*2023 £000*
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	-	*559*

The commitments as at 31 March will be financed as follows:

	2024 £000	*2023 £000*
Revenue reserves of the Trust	-	*559*
	-	***559***

22. OPERATING LEASES

The Trust holds properties and office equipment under non-cancellable operating leases. At the end of the year the Trust had commitments of future minimum lease payments as follows:

	2024 £000	*2023 £000*
Land and buildings:		
In one year or more but less than two years	155	*150*
In two years or more and less than five years	314	*371*
In five years or more	17	*54*
Others, which expire:		
In one year or more but less than two years	5	*4*
In two years or more and less than five years	9	*5*

23. RELATED PARTY TRANSACTIONS

The Charity has not entered into any related party transactions during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2024.

24. FINANCIAL INSTRUMENTS

	2024	*2023*
	£000	*£000*
Financial Assets Measured at Amortised Cost:		
Rent and Service Charge Debtors	435	*199*
Other Debtors	782	*1,129*
Cash and Cash Equivalents	2,636	*3,298*
Total Financial Assets	**3,853**	***4,626***
Financial Liabilities Measured at Amortised Cost:		
Trade Creditors	334	*217*
Other Creditors	2,435	*2,295*
Total Financial Liabilities	**2,769**	***2,512***

LANGLEY TRUST

England & Wales - Charity number 1146304

Accounts

LANGLEY HOUSE TRUST
HELPING PEOPLE TO LIVE CRIME-FREE LIVES

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the 12 months ended 31st March 2023

Company No. 07888191 Charity No. 1146304
www.langleyhousetrust.org

KEY INDIVIDUALS

PATRONS

The Rt Rev. and Rt Hon. the Lord Williams of Oystermouth
The Lord Ramsbotham GCB CBE (until 13th December 2022, RIP)
The Rev Jonathan Aitken

AMBASSADORS

Ademola Oshodi
Professor Chris Lewis

FELLOWS

Mrs. Elfrida Calvocoressi SRN, SCM
Mr. Colin Honey MBE (until 26th July 2022, RIP)
Mr. Anthony Howlett-Bolton BA (Hons), FCMI, FSYI
Mr. David Lane
Mr. Tony Pearson CBE, BA (Hons), DPSA

TRUSTEE BOARD MEMBERS*

Chair
Ruth Margaret Williams R.N. DipN (Lon), MSc (from 12th June 2022)
Malcolm Hayes BSc (Hons) F.I. Chem.E, FCII, C.Eng. C.dip A.F (until 11th June 2022)

Vice Chair (Development)
Stephen Cooper ACIB

Other Trustees
Andrew Newell MBA, FCIB
Michael Maiden BA, DMS
Sandra Keene CBE, BSc, DSW
Amanda Coyle MSc, MBA, TksA
Stephen Finlay Heron Lawes BA, ACA
Folasade Odupelu PGDip, MCIPD, MSc
Linda Faith Trew PGDip, CIOF (Cert)
Evelyn Sarah Weston BA (Hons) (from 13th July 2022)
Richard Matthew Montgomery MBA, BSc (from 13th July 2022)

Co-opted Members of the Board
Anne Ranasinghe MBA, ACMA, MSc, BSc (Hons) (from 6th December 2022)
Mark Curran LLB (from 6th December 2022)

EXECUTIVE DIRECTORS

Chief Executive
Tracy Wild MA Bsc (Hons), CIH

Director of People
Olukemi Jeboda Chartered FCIPD, MBA, MSc

Director of Finance and Business Services
Simon Herbert ACA

Director of Operations
Chris Metcalfe ILM Level 5 Strategic Management

Director of Care and Quality
Stella Wint BA (Hons)

Director of Chaplaincy
Rev. Andy Rider MA, BTH

COMPANY SECRETARY

Simon Herbert ACA

*The Trustees are Directors and Members of the Company within the meaning of the Companies Act. The Executive Directors are neither Directors nor Members of the Company under the definition of the Companies Act.

CONTENTS

Chair's Review	4
Strategic Report	6
Our Partners & Funders	15
Financial Review	16
Board's Responsibility Statement	24
Trustees' Report	25
Statistics	32
Independent Auditors' Report to the Members of Langley House Trust	33
Statement of Comprehensive Income	36
Statement of Financial Position	37
Statement of Changes in Reserves	38
Cash Flow Statement	39
Notes to the Financial Statements	40

CHAIR'S REVIEW

I am delighted to present this year's Annual Report for Langley House Trust, the purpose of which is threefold: to share a clear summary of who we are as an organisation, to celebrate what we have done during the past year, and to set out what we will do in the coming year. This is the first year I have presented this report since I was appointed as Board Chair last July.

As a charity we meet our charitable objectives and deliver outcomes which strongly contribute to the public good. At this point in time, it is especially important to stay focused on our mission and continue to challenge ourselves to make strategic decisions and choices that will deliver the best outcomes for our clients. Those outcomes include enabling our clients to live within the limited resources available to them. For Langley, as with many other charities, this year has presented particular challenges which we have endeavoured to overcome.

As Chair I am encouraged to see our highly committed, skilled staff and volunteers continuing to uphold Langley's values in the way they work. As a Christ-like organisation, care is at the heart of our work, and we are well placed to weather the current cost of living crisis. There are practical things we can do to alleviate the financial burden for our clients, and we are doing them. There is much more that Langley people offer, and this has a direct impact on our clients. It is our values-driven approach that secured us Gold accreditation for the third consecutive time with Investors in People in August 2022.

"We have focused on our people and taken the opportunity to celebrate them this past year. We have seen a number of colleagues shortlisted for external awards."

We have focused on our people and taken the opportunity to celebrate them this past year. We have seen a number of colleagues shortlisted for external awards. Our People Conferences in June 2022 explored the theme 'Who Are We?' with 300 staff and volunteers coming together. We shared our understanding of our identity and our purpose, and it was a joy to meet in person and meet staff and volunteers from all our services. As we prepare for all that 2023 has in store for us, I am confident that as a Board and Senior Management Team we have planned well, are investing wisely and will continue to develop our workforce ensuring that they are equipped to deliver our objectives.

Langley is an organisation where staff are engaged and involved, and we have sought to develop and share our strategic plans with our people for the coming year. I want to continue to ensure that all our people understand, input to, and are well equipped to deliver them.

We have had the privilege of seeing growth this year. We have developed Langley's first Independent Approved Premises (IAP), which we began delivering on behalf of His Majesty's Prison and Probation Service (HMPPS) in April 2022. For HMPPS this represents the first new male AP in over 30 years, and I am absolutely delighted that the delivery sits within Langley House Trust.

We have also purchased a new care home, opening in the summer of 2023, enabling us to replace and expand our premises in Kent, to offer good access for wheelchair users and meet the rising need for care beds.

"In a world where nothing stands still for long, our values remain at the heart of Langley."

Our expanded executive team has come together well to enable growth in the Trust. We have grown our staff engagement to ensure further development of our Equality, Diversity and Inclusion agenda. We have launched 4 staff networks during 2022, focusing on women, our younger workforce, ethnic minorities and the LGBTQIA+ community. This is aligned with our desire to be an employer of choice.

In a world where nothing stands still for long, our values based on our faith remain at the heart of Langley. They are part of our legacy and keep us anchored to what matters most.

It continues to be our privilege to be involved in this work and I offer my thanks and appreciation to all of our supporters, who contribute financially and through their prayers. We could not sustain this vital work without your continued commitment.

On behalf of the Board, thank you.

Ruth Williams
Chair of the Board

STRATEGIC REPORT

WHO WE ARE

Langley House Trust is an innovative Christian charity providing specialist housing, registered care homes, programmes and support services in the community for individuals, who have offended or are at risk of offending and are seeking to live crime-free. Since 1958 we have earned an enviable reputation for reducing offending with proven results.

The Trust seeks to use its faith base (which is centred in Christ and His teachings) to the advantage of clients, not by proselytising them, but by having a living ethos where all individuals are seen as of worth and capable of change. As a Christian charity we seek to support and care for clients, helping them to reach their full potential and become positive contributors to society.

Langley House Trust is the parent company to two subsidiaries that complement its work and contribute to its overall mission. These are:

> **Kainos Community** – which delivers a Ministry of Justice accredited programme called Challenge to Change, currently delivered at HMP Lancaster Farms.
>
> **Clean Sheet** – which offers people with convictions the hope of a better future by finding sustainable employment.

Langley House Trust worked with 689 clients who needed residential services during 2022/23. When we include those who engaged with our other services such as finance, benefit and debt, and accommodation advice, Kainos, and Clean Sheet, the total number of clients who engaged with Langley House Trust rises to 2114 during the past year.

We work with adult men and women (18+), who have offended or who are at risk of offending. We are skilled in working with those deemed 'hard to place' and those with complex needs. This includes individuals, who are subject to MAPPA (Multi-Agency Public Protection Arrangements).

OVERARCHING VISION

Our vision is of a crime-free society where no-one is unfairly disadvantaged or excluded because of their past.

MISSION STATEMENT

The mission statement for Langley House Trust was last reviewed in 2022 to ensure it continues to be relevant. It states:

> *'As a Christian charity, through supportive relationships, we create sustainable transformation in the lives of people, who have offended or are at risk of offending, so that they reintegrate into society, live crime-free and thrive.'*

PRINCIPLE ACTIVITIES

Accommodation Services

Langley House Trust will always see accommodation as a core part of its offer to the Criminal Justice Sector. We know that without suitable accommodation no other rehabilitative intervention stacks up. Ensuring prison-leavers have a suitable place to live is key to seeing them be able to lead crime-free lives in the future.

The accommodation we provide to those who have offended or who are at risk of offending, is located in 21 geographical locations in both urban and rural settings. The accommodation includes hostels, dispersed supported housing, registered care homes and dispersed accommodation with extra care provision. In April 2022, we opened our first Independent Approved Premises (IAP) to deliver a new contract on behalf of His Majesty's Prison and Probation Service (HMPPS).

Our housing support services enable people to maintain a tenancy, develop their skills to budget, access and manage support for addictions and mental health issues, engage with key community services (e.g. GPs and advocacy services), access education and develop their employability skills.

Our residential care and extra-care services provide high levels of support for people with complex mental and physical care needs, offering one-to-one support, 24/7 staff supervision, specialist psychiatric and psychological support for mental health issues and the development of independent living skills where required.

Our registered care homes provide placements for individuals coming from medium secure units, who require step-down services and are under mental health sections (e.g. section 41 or section 117).

Each placement is individually assessed to ensure that individuals receive the correct level of care and support they require, which is responsive to changing needs.

Advice and Rehabilitation in Prison

We provide targeted advice in 18 prisons addressing key issues relating to housing, debt, finance, benefits, gambling, and reintegration into the community for long- sentenced prisoners.

Kainos Community

Through Kainos Community we deliver Challenge to Change, an accredited prison wing community programme. Challenge to Change incorporates cognitive behaviour therapy and a therapeutic community environment in which participants live 24 hours a day, seven days a week for six months. The programme is based on the principles of forgiveness, accountability and restoration, challenging participants to examine their thinking, attitudes, and behaviour in order to live crime-free on release.

Clean Sheet

Clean Sheet became part of The Langley Group in 2019. Its aim is to help people with convictions (their Members) to find employment in order to create social change and a safer society. Clean Sheet provides a tailored employment support service, working with people for as long as it takes for them to find work. In 2022/23, Clean Sheet helped 168 Members to find employment or training. Clean Sheet also crossed a milestone of helping more than 1000 Members to find work in the last five years.

During the financial year, Clean Sheet's work and impact was recognised through two awards – the first was The Queen's Award for Enterprise, the most prestigious business award in the country. They were awarded for excellence in promoting opportunity through social mobility. The second was The Corbett Network's Founders award, a key Criminal Justice award.

Clean Sheet's funding comes from a range of sources: investment from Langley House Trust Group, prisons, community partnerships, grant funding, employers' contributions and supporter donations.

GROUP STRUCTURE

From 1st April 2023 Langley's Group structure will change to ensure viability for each of its current subsidiaries. Clean Sheet will continue as a charity in its own right and be released from the Langley Group. Additionally, Kainos will become fully integrated within Langley House Trust and its independent charity status will cease.

LANGLEY HOUSE TRUST APPROACH

Our approach is pragmatic, responsive and tailored to each person that we work with. At the heart of our approach is the belief that people can change regardless of their history. Consequently, we have a track record of success in working with people, who have previously failed in other placements.

Our approach is:

Person-centered – with a focus on recovery and independence. Care and support are shaped around the distinct needs and aspirations of each person. We support people to live as independently as possible, develop living and financial skills, access training, education and employment opportunities, and participate in local community life.

Respectful of privacy and dignity – we take the privacy and dignity of our clients seriously. We empower people to make their own choices wherever possible.

Risk-management focused – our risk assessments and risk management plans are comprehensive and responsive to changing risks and needs. We work in close partnership with stakeholders involved in the supervision of clients including the National Probation Service. Safeguarding is of primary importance, and we have comprehensive policies and procedures in place in relation to both the safeguarding of vulnerable adults and children.

Committed to partnership working – in addition to working with statutory agencies to manage risk, we also work with education and training providers, voluntary organisations, businesses, and faith groups to provide volunteering, education, training, and employment opportunities for our clients. We are committed to working in partnership to maximise resources, share good practice and ensure the best possible outcomes are achieved.

Responsive to client input – creating ownership and autonomy. Our National Consultative Group provides a forum for clients to meet with senior staff and Trustees. The National Consultative Group meets three times a year and agendas include reviewing policies and procedures and discussing topical subjects that affect clients' everyday lives. We have a range of formal and informal feedback options including an annual satisfaction survey, comment cards and client forums (regional and national). All formal feedback is monitored and used to improve services at a local and national level.

Focused on Equality, Diversity and Inclusion – our Equality, Diversity and Inclusion Policy covers all nine of the protected characteristics recognised by the Equality Act 2010. During the year we have delivered an Equality, Diversity and Inclusion (EDI) calendar, drawing attention to particular themes each month. We have launched 4 staff networks representing women, ethnically diverse groups, the younger workforce and the LGBTQIA+ community.

REOFFENDING RATE OF OUR CLIENTS

The reconviction rate for clients of the Trust whilst with us remained within the target of 3%. This is one of the lowest reconviction rates in the country, enabling men and women to live crime-free.

REVIEW OF 2022/23

During the past year the Group has continued to focus on the charitable aims established when it was founded nearly 65 years ago, namely to seek to support and care for clients, helping them to reach their full potential and become positive contributors to society. In order to meet these aims, the Group has:

1. Provided 96 beds in registered care homes and 378 rooms in supported accommodation, supporting a total of 474 clients at any given time, with a suitable, safe and secure place to live.
2. Helped 168 Members find work through the Clean Sheet programme.
3. Provided advice to 965 clients on issues such as gambling, debt, and accommodation needs.
4. Led 24 staff and clients from 7 of our residential services through the Alpha course as a means of exploring the Christian faith.
5. Opened a new Independent Approved Premise in April 2022 in conjunction with the Ministry of Justice, supporting and accommodating prison-leavers who pose a high risk of harm and a particularly high risk of re-offending.

In addition to our client-facing achievements, we have continued to invest in and develop other areas of the Group:

People

- We retained IIP Gold accreditation for the third consecutive time.
- We strengthened our Equality, Diversity and Inclusion (ED&I) offer, including a revised programme of celebrations and the launch of 4 staff network groups to specifically engage women, the younger workforce, ethnically diverse colleagues and the LGBTQIA+ community.
- We continued the ITOL accredited Management Development Programme, through which the Group seeks to develop and retain talent already employed.
- We reinvigorated the volunteer programme, which was impacted by COVID-19, through the recruitment of a Volunteer Manager.

Governance

- A new Chair was welcomed into post in June 2022.
- A comprehensive review of the Board and associated governance issues was completed by an external consultant to ensure that the Group continues to be managed robustly.
- Two new Board Committees were established to oversee Finance & Resources, and Mission.
- A process of rebranding the Group started with the stated aim of enhancing the Group's presence in the digital landscape, creating a clearer and more consistent process of telling the Langley story and providing a useful resource for all stakeholders.
- We retained our ISO27001 accreditation, which is an important quality hallmark for data assurance.

Awards

We were shortlisted as finalists for the following external awards during 2022-23:

- Charity Times Awards – finalists
- Inside Housing's UK Housing Awards (Eliora) – finalists and highly commended
- Housing Heroes and Women in Housing Awards – 3 individual finalists
- Chartered Institute of Housing, Northern Awards – finalists
- British HR Awards – Leader of the Year – finalist
- Inspiring Workplaces – finalist

GROWTH DURING 2022/23

As a business we continued to grow in all domains: our income increased by 13.6% during 2022/23, despite this sector being a very challenging environment to expand in given the cost-of-living crisis. Care income has seen a significant rise and we have responded to the evident need for care beds by purchasing a care home that will replace our existing property in Kent and allow us to increase bed spaces. It will also enable us to accommodate wheelchair users more readily. We extended our reach into new services as already described (the IAP) and saw 9.4% growth within our staffing.

STRATEGIC OBJECTIVES

The Group's strategic objectives are to:

1. Maintain and develop a Christian ethos that provides an environment, which will stimulate growth in our clients and our people (staff and volunteers).
2. Continue to grow and develop both the capacity and models we offer the justice sector, within the community and in prison.
3. Whilst remaining relevant and missional, continue to increase levels of quality and efficiency in the delivery of services.
4. Continue to increase financial and staff capacity to enable more sustainable effective delivery of the Trust's mission.
5. Be a partner organisation of choice to both commissioners and referrers.

The Group has considered the principal risks and uncertainties to the Group and has addressed these within the Trustees' Report (refer to page 24).

The Group has several strategies that identify sufficient resources to improve its services and prioritise its improvement plan, ensuring that Langley House Trust remains a partner of choice within the varied sectors in which it operates.

It is anticipated that the Group will continue to grow and develop new services; the clients for whom it will provide new services will include individuals, who have offended and those at risk of offending, in the following groups:

- Complex needs
- Elderly clients (including end of life care and those with long-term health conditions)
- Mental health issues (including enduring conditions)
- Learning disabilities
- Women
- High risk of harm clients

STRATEGIC FOCUS FOR 2023/24

In common with many organisations, the last two years have been challenging for the Group as we have sought to deliver high quality service against a backdrop of economic difficulty. However, the Group has emerged with a strong balance sheet and a determination to grow in the coming years, in order to meet the increasing need for the services we offer.

Within the next twelve months, the Group aspires to:

- Expand the number of care beds through the opening of a new home in the south of England.
- Purchase a new care home in the northwest of England to replace a current facility that is leased. This will allow for longer term investment in environmental issues as well as expand the number of beds.
- Complete the implementation of the "Enabling Environment" methodology in all of our services. This externally accredited approach will allow for a consistently high level of service to our clients, ensuring the varied and complex needs are met. It will also develop our professional staff and help us to become an employer of choice.
- Develop a systematic approach to replacing supported housing properties we currently lease with properties we own, creating commercial value for money benefit upside, improving the quality of accommodation for our clients and allowing for mid-term investment into the environmental profile of our property portfolio.
- Win at least one significant contract for service delivery to enhance our current offer to our stakeholders.
- Ensure we continue to invest in systems and processes that assist the Group in enhancing the quality of service delivery to our clients and to ensure compliance with all current regulatory requirements.
- Complete the journey to being fully Cyber Essentials Plus accredited for all of our IT infrastructure.

Our people continue to be the most valuable resource the Group has. Now, more than ever, it is vital that the Group has a strategy to attract and retain the right kind of staff. To that end, the Group will:

- Continue to be a values-based organisation and will undertake a review of the key competences and behaviours required in all those employed by the Group, believing that increasingly employees are motivated to work for organisations that are able to clearly express and display their underlying core values.
- Complete the on-going process of succession planning so that we can develop and retain talent that is already within the Group.
- Establish a Career Pathways Portal so that all staff can see what is required to qualify for any given role within the Group and to create a clear development pathway for each staff member towards the role of their choice.
- Develop a suite of flexible benefits that rewards each member of staff in the most suitable way by giving them some control over their package,

- Agree a group-wide approach to working patterns in a post-pandemic economy so as not to disadvantage the Group when competing for staff against more flexible employers.
- Progress the mobilisation of a 3-year contract for specialist accommodation and debt advice services in partnership with Serco, to benefit prisoners in HMP Fosse Way, beginning in July 2023.

FUNDRAISING

The Group uses several different communication methods to attract and retain support, including:

- direct mail of newsletters and appeals
- emailing newsletters and appeals
- opportunities for regular giving via Standing Order
- use of the website and social media accounts
- opportunities for planned giving through a legacy programme

The Group seeks to be transparent as to how the donated funds raised will be used and, in all cases, any restriction placed on a donation is strictly followed and fulfilled. In cases where the Group is unable to use the donation, the supporter will be contacted and either another use for the funds agreed or they are returned.

The Group maintains and monitors the wishes of each supporter and will only communicate using methods the supporter has given clear and informed consent for us to use. The Group does not knowingly communicate with young people below the age of 18 or any vulnerable adult. Where we are made aware that such people may be receiving communications from us, our records are amended to prevent further communication.

The Group has robust systems in place to ensure that where a supporter wishes to cease being contacted, either directly with us or through the Fundraising Preference Scheme, this action can be implemented immediately.

The Group is compliant with the Institute of Fundraising Code of Practice and received no serious complaints about its fundraising practices during the year.

THANKS

Langley House Trust, Kainos Community and Clean Sheet have a number of loyal supporters, who generously support the work of the Group. We are so grateful for their ongoing support. This support allows the Group to invest in new growth and new initiatives, which in turn improve the lives of our clients.

We are extremely grateful for all those who have generously supported our work – individuals, churches, charitable foundations, and businesses. Their support has been invaluable in helping to sustain and enhance the services we provide in challenging times, especially with such an immediate impact felt by the Trust and our clients with rising energy costs, fuel and food bills.

The importance of having these funding streams cannot be underestimated; they enable us to respond to local needs and to be more flexible in our support approach. This enhances our core services and makes a significant difference between managing a problem and transforming someone's life for the future.

We are thankful to all of our volunteers, who support Langley House Trust, Kainos Community and Clean Sheet, for the value they add to our work and the difference it makes to the lives of our clients. We would also like to thank our staff, who are committed to changing the lives of those we work with and who often go the extra mile to ensure our work makes a difference.

OUR PARTNERS & FUNDERS

OUR PARTNERS

The Group is grateful to colleagues in partner agencies and organisations including Homes England (previously the Homes and Communities Agency), the Ministry of Justice, His Majesty's Prison and Probation Service, Supporting People Teams, Social Services, the Police, Local Authorities, National Health Service (NHS) Trusts, Integrated Offender Management Teams, Police and Crime Commissioners and all those who work alongside us to help people to live crime-free.

The Trustees also acknowledge with gratitude those partner organisations from whom we lease property including: BPHA, Cheltenham Borough Council, Coventry City Council, the Methodist Church in Great Britain, Milnrow Properties, MHS Homes, Places for People and Your Housing.

FUNDERS

The Trustees thank all of those who have funded initiatives in the year. We would particularly like to thank:

- The Velnoweth Good Champions Trust
- The Norman Evershed Trust
- Millfield Trust
- The Hanley Trust
- The David Pickford Charitable Foundation
- The Community of the Presentation Trust
- AS Charitable Trust
- The Alexis Trust

LEGACY

We would like to especially thank the families of the following people, who kindly left a legacy in support of our work.

These gifts are gratefully received, and the following individuals will be remembered in building a better future for our clients and the growth of the Group:

- Betty Joan Smith
- Vera Doreen Chiverton
- Eileen Beryl Harris
- Kenneth D Beardsley
- Sylvia Painter

Their legacy lives on through all we do in helping individuals live crime-free lives.

FINANCIAL REVIEW

A summary of the Trust's five-year financial performance is as follows:

Year	Income £'000	Operating Costs £'000	Operating Surplus £'000	Operating Surplus %
2018-19	12,299	12,646	(347)	(2.8%)
2019-20	13,430	13,156	274	2.0%
2020-21	15,512	14,734	778	5.0%
2021-22	16,084	16,119	(35)	(0.2%)
2022-23	18,274	18,670	(396)	(2.2%)

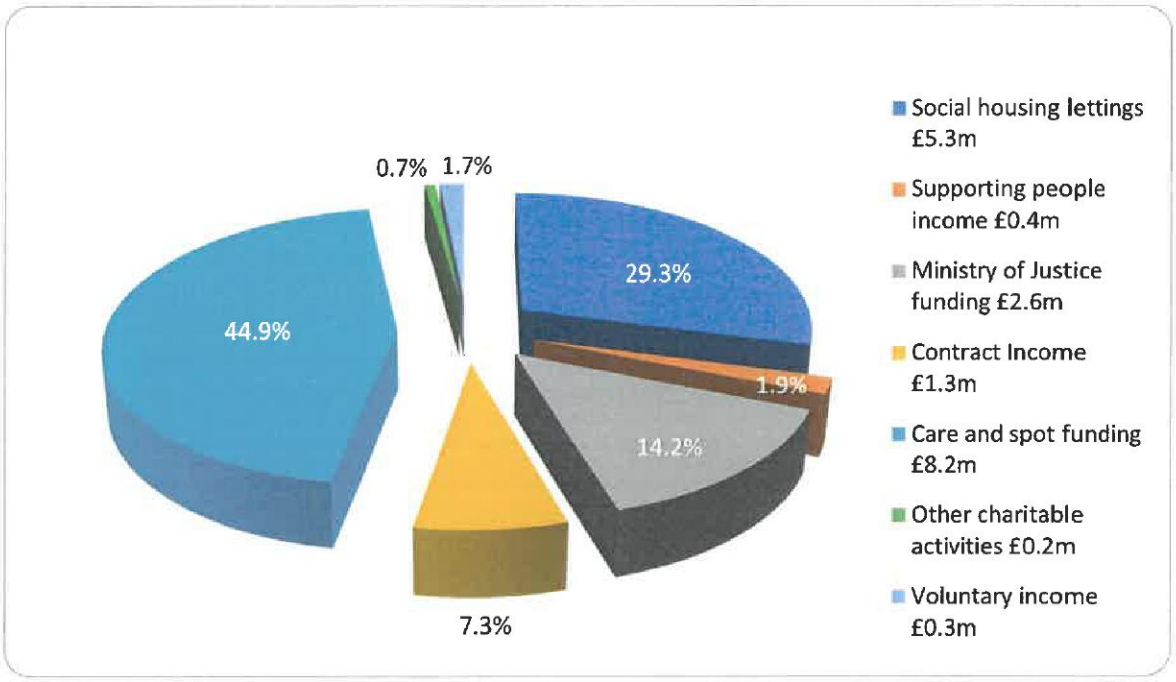
The Trust reported an Operating Deficit of £396k in 2022/23 (2021/22: deficit £35k), which follows on from a smaller Operating Deficit in the prior year. This reflects a number of key factors that the Trust is facing, which include:

- The Trust is going through a period of transition as it positions itself to be able to grow and meet the ever-present demand for its services. This has involved investment in new areas that have only recently begun to deliver a positive return. This is not an unexpected situation, and the Trustees remain fully confident that the Trust will benefit from investments made in the future periods. The Trustees are aware that this approach is not sustainable and is only possible because of the financial restraint in previous years that has created such a robust balance sheet.
- The wider economic situation has created significant upward pressure on all of the costs we incur in providing our services
- The labour market for the sector has been tough, resulting in the use of agency staff at premium rates. In addition, mindful of the cost of living pressures on staff, the Trustees approved a one-off payment of £400 to every staff member.
- The Trust has incurred one-off non-capital costs in the setting up and development of the new care home in Kent.

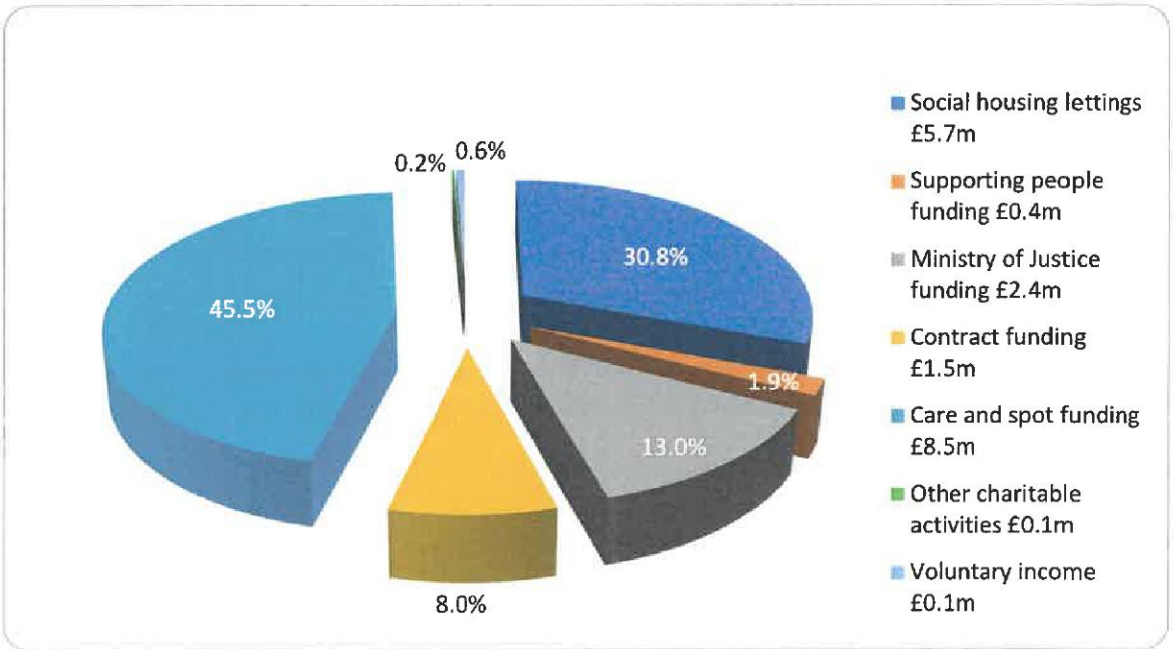
Despite the difficult trading position, some of which has continued into the new financial year, the Trustees remain confident that the Trust is on a pathway to a stronger and sustainable operating position in future years.

The Trust's policy is to write off all set-up costs at the point of a unit becoming available for occupancy.

OPERATING INCOME 2022-23



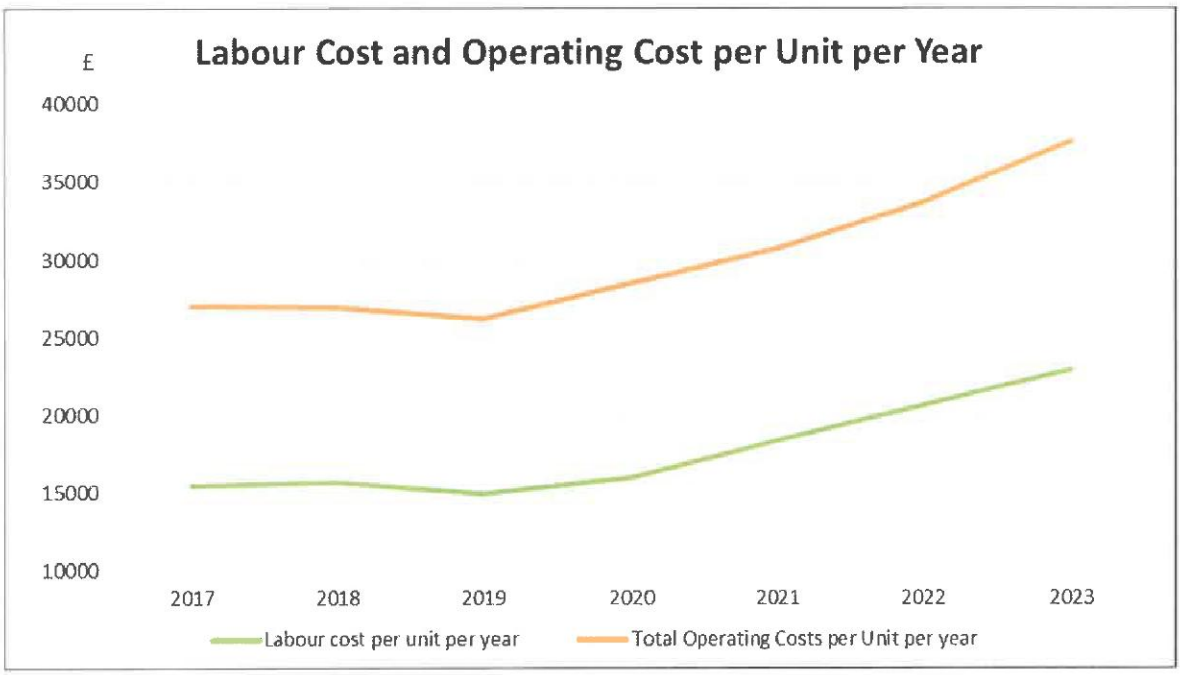
OPERATING EXPENDITURE 2022-23



The income of £18.3m (Group £18.5m) reflects growth across a number of revenue streams, in particular Care and the Ministry of Justice.

The Trust continues to review services on a project-by-project basis to ensure that delivery is in line with expectations and reflects the funding provided. Net rental income increased by £275k and care and spot funding income increased by £694k.

The graph below reflects the change in the cost base of the Trust over the years:



This data shows a trend of increasing costs over the last five years. The reflects the change in operational model over that period, which has seen the main income and activity for the Trust move from Supported Accommodation services to a greater emphasis on Residential Care., which is now the largest single revenue stream for the Trust.

The provision of residential care is more expensive on a unit basis, with more staffing requirements and other specialist services such as psychology. We have also seen significant cost pressures on the main inputs into these services, including utility, food and building maintenance; factors which have driven the cost profile shown above.

The transition of Box Tree Cottage to an Independent Approved Premise has also shifted the cost profile, as the underlying costs for providing an IAP bed are higher than in a normal hostel or supported housing environment.

After allowing for interest received, movement on investments and any disposal of fixed assets, the deficit on ordinary activities in the year was £383k (2021/22: surplus £60k).

The Group figures also include a full twelve months trading results for the Trust's subsidiary companies, Kainos Community and Clean Sheet.

Capital expenditure of £1,993k (2021/22: £547k) was spent on the Trust's housing properties, in improving the existing stock and the purchase of a new care home. In accordance with the accounting standards the components that were replaced have been removed from the value of the Group's fixed assets.

The Group spent £89k (2021/22: £95k) on other capital equipment.

The Group generated a cash inflow from operating activities of £2k (2021/22: £298k)

KEY PERFORMANCE INDICATORS (KPIs)

The Board used 20 KPIs to monitor the delivery of the Trust's strategic objectives. The range of KPIs included indicators of: utilisation, reconviction, client engagement (services), client engagement (prisons), staff performance and financial performance.

The KPI performance report is a standard item that is reviewed by the Board. It looks to bring added value through the delivery of services, which increase opportunities for education, volunteering and employment. Following a formal external review of the Board during the year, the KPI reporting has been revised, allowing the Board to focus on the significant issues and delegating other matters to Committees.

VALUE FOR MONEY (VfM)

Our Approach to VfM

As a charity and recipient of funding from both local and national government bodies, the Trust recognises that it is accountable to its supporters, funders, clients, and staff for the money it receives. The Group is committed to making sure it gets the best value for the money it spends and actively takes steps to identify and implement improvements, which will reduce costs, remove waste and add value for its stakeholders.

The Group has a robust framework for measuring, evidencing, and improving VfM activity and fostering a culture of empowering continuous improvement. The Group's value chain approach of economy, efficiency and effectiveness demonstrates the culture for improving the efficiency of its processes and evidencing value for money to clients, regulators, funders and other stakeholders.

The Group believes that there is intrinsic VfM in the services that it provides. The Group works with a complex client group that has unique needs which cannot be met through a general needs accommodation provider. The fact that the Group is able to meet the needs of this group of clients represents in itself a clear VfM outcome because, without the successful intervention of the Group, these clients are likely to be supported in less appropriate services which are unable to fully meet their needs.

VfM Performance During the Year

The difficulty of the Regulator applying seven metrics across the housing sector in a generic "one size fits all" approach to a provider the size of Langley House Trust is that you can lose the true value and achievement of purpose.

The table below indicates an adverse outcome for the Trust with most metrics moving in the wrong direction. However, we acknowledge that the Trust is going through a period of transition and that the fruits of that work are not yet being realised. We fully expect that as 2023/24 progresses we will see positive outcomes from the investments made in the past financial year.

The Trust has also been impacted by the wider economic situation that all sectors have faced. This has placed unprecedented upward pressure on our cost base, all of which came after the rent models had been set for the year. The result has been that the inflationary impact of key costs, such as utilities and property maintenance costs, has been higher than the associated uplift in income, which has therefore squeezed margin.

The UK property market has also been through a turbulent year, impacting the Trust as we have not been able to procure the expected number of units. Where we have been successful, the rental costs we are incurring are significantly higher than in previous periods. Current landlords are also increasing the rents they are asking for. As a result, despite the best efforts of the property team, we have not had the number of units available for us to recover all of our central and management costs, which feeds through into the overall deficit position.

Nevertheless, we remain mindful that the headline for Langley House Trust is that during the year 2022/2023 we were able to have a positive impact on the Clients we engaged with as shown in section 5.

We work with adult men and women (18+), who have offended or who are at risk of offending. We are skilled in working with those deemed 'hard to place' and those with complex needs. This includes individuals, who are subject to MAPPA (Multi-Agency Public Protection Arrangements).

	Year	2022/23	2021/22	2020/21	2019/20	2018/19	Direction of Travel
1	Reinvestment	15.8%	5.2%	0.8%	2.3%	5.2%	↑
2A	New Supply (Social Housing)	2.2%	2.7%	2.1%	6.1%	5.8%	↓
2B	New Supply (Non-Social Housing)	0.0%	0.0%	0.0%	0.0%	0.0%	
5	Headline Social Housing Cost per Unit	£10,910	£10,578	£10,429	£9,689	£9,016	↓
6A	Operating Margin (Social Housing)	(7.5%)	(6.4%)	(7.1%)	(6.9%)	(7.9%)	↓
6B	Operating Margin (Overall)	(2.2%)	(0.2%)	5.0%	2.0%	2.8%	↓
7	Return on Capital Employed (ROCE)	(3.4%)	(0.3%)	6.4%	6.2%	3.3%	↓

Specific remarks on the RSH's metrics are:

1. **Re-investment** - is the acquisition and repairs and maintenance costs, plus expenditure on works to existing owned properties divided by the value of the properties owned by the organisation. The table in 4.1 shows that in 2022/23 the Group's investment in properties increased to 15.8% (up from 5.2% in 2021/22). This is largely driven by the significant reinvestment of funds to purchase a new care home.

2. **New supply** – the Regulator expects providers to report on both the supply of social and non-social housing units. It will calculate new supply from the total number of housing units acquired in the reporting period divided by the total number of units held at the end of that period. The number of new or replacement units taken on within the year amounts to 11 units compared to 13 in 2021/22.

3. **Gearing** – this metric is designed to assess the provider's reliance on debt and appetite for growth. It divides the total owed in loans and finance leases by the cost or deemed cost and/or valuation of housing properties and would therefore not be applicable to the Group.

4. **Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI)** – overall surplus (or deficit), plus other income received, less grants and capitalised repairs, plus total depreciation charge divided by the total capitalised interest in housing properties and interest payable and other financing costs. Designed to assess investment capacity by measuring surplus against a provider's interest payments, it would not currently apply to the Group.

5. **Headline social housing cost per unit** – an amalgamation of management, service charge, maintenance and repair costs, including capitalised major repairs and other related social housing expenditure such as neighbourhood and community costs divided by the total number of social housing units at the end of the reporting period. The increase to the cost base for social housing reflects the cost pressures in this area particularly with the external economic pressures driving significant increases in utility costs.

6. **Operating margin** – designed to assess the profitability of operating assets before exceptional expenses are taken into account and to give the Regulator an indication of overall value for money performance. The Regulator has proposed two measures: operating margin for social housing lettings calculated by dividing the operating surplus (or deficit) for social housing lettings by the turnover from social housing lettings only and operating margin overall, calculated by dividing the overall surplus (or deficit) by overall turnover. The Group's overall operating margin decreased by 2.0% in 2021/22 to (2.2%). The most significant factors impacting this measure are around a lower number of units to apportion the central cost base over, combined with the increasing use of agency staff in the face of a difficult recruitment market.

7. **Return on Capital Employed (ROCE)** – a common measure used in commercial business; the Regulator suggests that this metric will demonstrate the level of efficient investment of

resources. Calculated by dividing the overall surplus (or deficit), the income from any joint venture partnerships and any gain or loss from the disposal of housing properties by the provider's total assets, less its liabilities. Expenditure increases arising from the ending of COVID-19 restrictions and returning to re-lockdown activity levels in addition to labour challenges leading to increased agency usage to cover sickness absence and vacancies produced a decrease in Return on Capital Employed from a deficit of 0.3% to a deficit of 3.4%.

MATERIAL ESTIMATES, CONTROL AND JUDGMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The Principal Accounting Policies set out the Key Judgement Areas within Note 2.

The main judgement areas that have had the most significant effect on the Trust's accounts are:

a. Depreciation and amortisation provisions relating to fixed asset accounting, which are based on estimated useful economic lives of individual assets and apportionment of costs between components of composite assets

b. Provision for bad debts, which are based on specific balances and past experience of bad debts

The impact on the Trust's accounts of these estimates for the year ended 31st March 2023 is as follows:

Description	Expenditure	Income
Depreciation	£504k	
Grant amortisation		£83k
Bad debt expense	£218k	

VFM AND NON-SOCIAL HOUSING ACTIVITY

The VfM Standard requires the Board to give full consideration of value for money across their whole business. Where the Group invests in non-social housing activity, the Board should consider whether this generates returns commensurate to the risk involved and justification where this is not the case.

The Board is satisfied that the investments made in complex need care provision, and the various advice work undertaken with ex-offenders provides real value to the Group and is essential in enabling the Group to meet both its charitable objects and biblical mandate.

POST BALANCE SHEET EVENTS

On 1st April 2023, the Group simplified the organisational structure under which it operates, the purpose being to reduce administrative costs and to reflect the actual nature of the on-going relationships.

Kainos Community has been fully merged into the Trust and will continue to operate in exactly the same manner as it has operated, as part of the Trust.

Clean Sheet has been de-merged from the Group and will no longer be part of the on-going activity. It will continue to provide services in its own right as a separate entity.

BOARD'S RESPONSIBILITY STATEMENT

The Board is responsible for preparing the Trustees' Strategic Report and the financial statements in accordance with applicable law and regulations.

The Companies Act 2006 and registered social housing legislation require the Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and the Trust and of the income and expenditure for that period.

In preparing these financial statements the Board is required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Housing SORP 2018 (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statement
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business

The Board is responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the Trust and enable it to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

The Board has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Group and Trust, and to prevent and detect fraud and other irregularities.

The Trustees, who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Trust's auditors are unaware, and each Trustee has taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The strategic report was approved by the Board on 12th July 2023 and signed on its behalf by:

Ruth Williams
Chair of the Board
12th July 2023

TRUSTEES' REPORT

The Trustees present their report and accounts for the year ended 31st March 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Langley House Trust was first registered as a charity in September 1958.

The charity is a company limited by guarantee, incorporated on 20th December 2012 and registered as a charity with the Charity Commission on 8th March 2012. The company was also registered with the Regulator of Social Housing on 1st March 2012 as a non-profit social housing landlord and was registered with the Financial Conduct Authority (FRN716378) on 4th January 2016.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount of no more than £1.

The Trustees, who are also Directors for the purpose of company law and who served during the year, are listed on page 2.

Langley House Trust has a group structure – Kainos Community and Clean Sheet are both legal subsidiaries of the Trust. The governing body is the Board, whose members are non-executive and unpaid. The Board ensures it maintains full and effective control over the charity through close monitoring and oversight of the Group's business.

The Board is responsible for major strategic decisions and has ultimate responsibility for the conduct and financial stability of the Trust. It seeks to support the Executive in a culture of mutual confidence and trust. During the year, two new Trustees were appointed following an open selection process based on relevant skills and knowledge.

In addition to the Board members, the Trust has a number of honorary roles, namely Patrons, Ambassadors and Fellows, who represent the Trust externally in different capacities.

The Trust has an Audit, Risk & Compliance Committee, a People Committee and a National Consultative Group. These Committees have clear terms of reference and report directly to the Board. During the year following a formal review of its structure, the Board established a Finance & Resources Committee, a Mission Committee, and a Quality Committee. Each is chaired by a Trustee and serviced by Executive Directors. The Board delegates to the Chief Executive full control over the operation of the Trust within policy. The Chief Executive and other members of the Executive, titled Directors, attend meetings of the Board. The term "Directors" should not be construed as Directors under the Companies Act. It is the duty of the Chief Executive to further the mission of the Trust and to ensure that management is efficient, effective and runs in accordance with good business practice. The Board determines the remuneration and the conditions of employment of

the staff. The Board monitors and reviews the quality, effectiveness and timeliness of information provided by the Executive. The Board has access to independent professional advice if necessary.

The Articles of Association allow the Trustees to deposit or invest its funds. The Board will secure expert advice, where necessary, before investing funds. In deciding where and how to invest its funds, the Board will always consider suitability of the investment and the overall diversification of the funds it has already invested. The Board has approved a Treasury Management Policy to assist with this area of responsibility.

The Board is content that the Trust complies with the NHF Code of Governance 2020 in the areas in which it applies to the Trust. Any potential conflicts of interest are declared at every meeting. None are declared as existing at the date of this report.

COMPLIANCE WITH THE GOVERNANCE AND VIABILITY STANDARD

The Board confirms that the Group and Trust have met the Regulator of Social Housing's regulatory expectations in relation to the governance and financial viability standard. The Board considers that to fully comply with the Code requirements on Board tenure would create unacceptable risks in the short to medium term. The Board is actively considering how best to transition to the new arrangements.

The Board confirms compliance with all legal and regulatory requirements for companies registered under the Companies Act 2006 and for charities registered under the Charities Act 2011.

STAFF AND VOLUNTEERS

Our people are at the centre of what we do at Langley, and we would not be able to achieve our mission without them. Many staff and volunteers join the Group because they are committed to the mission and values of the organisation, and they go above and beyond to deliver great services and care for our clients.

As of 31st March 2023, Langley House Trust had 309 employees, including temporary staff, and excluding relief and agency workers (March 2022- 278 comparison). Of these, 61.9% worked directly with clients. The Trust has increased its staffing by 9.4% over the past year. The Group places a lot of value on its people, and this is recognised in our Investors in People Gold Award, re-issued in August 2022.

The Group recognises the valuable role volunteers play in assisting in the delivery of a high-quality service to clients. Volunteers provide valuable support in a range of different contexts and work alongside our staff enabling us to undertake value-added activities with clients. During 2022 the Trust appreciated the support of 64 volunteers working across a range of roles. This includes Trustees, Chaplains and volunteers working within services supporting client activities and carrying out work around the service grounds.

GENDER AND ETHNICITY PAY GAP REPORTING

The Group is committed to fair pay and in line with this; we published our Gender Pay Gap Report during the year. The mean gender pay was 9% representing higher mean hourly pay for males. The median gender pay gap of 0% reflects no gap in the median pay for males and females.

It is not currently mandatory to measure the ethnicity pay gap; however, for the first time in the Group, we have chosen to report on this measure to identify and address any emerging issues. The mean ethnicity pay gap in hourly pay is 2% lower for ethnically diverse employees. The median ethnicity pay gap is at 4% lower for white staff due to the higher number of white staff in the employee population.

We have ongoing plans to monitor, publish and create action plans for the gender and ethnicity pay each year so this continues to support our values within the Group.

STATEMENT ON THE TRUST'S SYSTEM OF INTERNAL CONTROL

The Board has overall responsibility for establishing and maintaining the system of internal control and reviewing its effectiveness. Trustees recognise that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives, however, the system of internal control implemented by the Trust has been designed to manage key risks and provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance to the Board regarding the preparation and reliability of financial and operational information and the safeguarding of the Trust's assets and interests.

In meeting their responsibilities, the Trustees have adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Trust is exposed. The process adopted by the Trustees in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

1. **Identification and evaluation of key risks** – Management responsibility has been clearly defined for the identification, evaluation, and control of significant risks. There is a formal and on-going process of management review in each area of the Trust's activities. The Executive Team regularly considers significant risks facing the Trust and the Chief Executive is responsible for reporting to the Trustees any significant changes affecting key risks. In accordance with the Group's Risk Management Policy, the Summary Risk Map is formally reviewed by the full Board at least once a year and the highest risks facing the Trust are discussed at each Audit, Risk & Compliance Committee meeting.

2. **Environment and control procedures** – The Trustees retain responsibility for a defined range of issues covering strategic, operational, financial and compliance issues. The Trust's Articles of Association, policies and procedures cover issues such as delegated authority, segregation of duties, accounting, health and safety, data protection, fraud,

and whistleblowing. The Trust also has an extensive range of policies and procedures relating to the safe management of the client group with which it works to minimise the risk to clients, staff and the wider public.

The Trust also holds an Asset and Liability Register in line with regulatory requirements, which provides a collated view of the Trust's assets and contract liabilities. The integrity of the register is audited and reported to the Executive Team on a quarterly basis.

3. **Information and financial reporting systems** – The Trustees review and approve the annual budget and the 5-year financial plan for the Trust. Financial reporting procedures include detailed management accounts and forecasts, which are reviewed by the Executive Team and are presented to the full Board of Trustees monthly. The Board also reviews key performance indicators to assess progress towards the achievement of key business objectives, targets, and outcomes at each Board meeting.

4. **Monitoring and corrective action** – A process of regular management reporting on control issues provides assurance to senior management and to Trustees. This includes ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and delivery of our services.

   The internal control framework and the risk management process are subject to regular review by Internal Auditors, who advise the Executive Team and report to the Audit, Risk & Compliance Committee. A three-year Internal Audit Plan exists to assist in this process and is approved annually by the Audit, Risk & Compliance Committee. Progress against the plan is also monitored throughout the year and the Audit, Risk & Compliance Committee formally reviews the performance of the Internal and External Auditors once a year. The Audit, Risk & Compliance Committee considers internal control and risk at each of its meetings during the year. In addition to Internal Audit, the Executive Team receives assurance on the operation of internal controls through a self-assessment audit toolkit used by the managers of its various services.

   The Audit, Risk & Compliance Committee conducts an annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of risk management and control process. The Audit, Risk & Compliance Committee reports on progress to each Board meeting and submits an annual report to the Board of Trustees. In preparing its report, the Audit, Risk & Compliance Committee takes into account the various reports of the Internal and External Auditors, the Chief Executive's Annual Report on Internal Control, other reports from the Executive to the Audit, Risk & Compliance Committee and full Trustee Board and inspection reports from the Care Quality Commission, the Regulator of Social Housing and other regulatory bodies.

THE PREVENTION, DETECTION, REPORTING AND RECOVERY OF FINANCIAL CRIME AND FRAUD

The Trust takes fraud and other financial crime seriously. The Trust's Fraud and Prevention of Financial Crime Polices set out management responsibilities to ensure an adequate control system is in place to minimise the risk of fraud and other financial crimes such as money laundering and to ensure a reasonable likelihood of early detection. These policies also state the procedure to be followed in the event of suspected fraud, money laundering or other financial crime, including reporting requirements and any subsequent action to be taken for recovery.

The Trust maintains a register of actual and attempted frauds and thefts. The contents of the register are reported annually to the Audit, Risk & Compliance Committee. During 2022-2023 there were no significant losses identified as a result of fraud. The Trustees confirm that there is an on-going process for identifying and managing significant risks of fraud and other financial crime faced by the Trust. This process has been in place throughout the year, up to the date of the annual report and accounts, and is regularly reviewed by the Audit, Risk & Compliance Committee.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's main sources of income are various forms of government funding and grants. This means that the Group is therefore at risk from changes in policy in regard to funding and the strategic priorities given to the rehabilitation of offenders both at a national and local level by the government.

A further serious risk to the Trust is the ability to recruit and train sufficient staff of the correct calibre, at all levels throughout the Trust, to deliver safe services to the quality our clients expect and deserve. This is a sector-wide issue, and the Trust is implementing a number of initiatives within our cost envelope to make the Trust an attractive employer.

The post-pandemic developments around hybrid working and the increasing use of IT systems inevitably increases the gateways for our systems to be subject to cyber threat. This is an area the Trust is investing in, and steps have been taken to improve the security of our systems, the robustness of our ability to detect and rebuff attacks, and to ensure that our key systems remain available for use at all times. The Trust acknowledges that this is an ever-changing landscape and the need to remain constantly vigilant in this area.

RESERVES

The Trust's Reserves Policy has identified that a contingency equivalent to twelve weeks' operating expenditure needs to be maintained in order to cover identifiable and quantified risk and to allow the Trust sufficient time to be able to restructure its operations minimising the disruption to clients. The Trust is compliant with this policy.

Analysis of the Group's reserves is shown in the Statement of Changes in Reserves.

EQUALITY, DIVERSITY AND INCLUSION

The Group's approach to Equality, Diversity and Inclusion is set out in its Group Equality, Diversity and Inclusion Policy and included within Langley House Trust's activities.

The Group understands the vital role that Equality, Diversity and Inclusion plays in creating an environment in which our staff, volunteers and clients are able to reach their full potential. We appreciate and celebrate difference and individuality, respecting everyone as being made in God's image and having an intrinsic value, a view strongly upheld by our Trustees and senior management team.

There is no place for racism or any other form of discrimination within the Group. It is not just illegal but goes against all that we stand for as outlined in our values. Langley House Trust Group staff are asked to challenge any racist or discriminatory behaviour that they witness, experience, or hear about and then report it. The CEO's commitment is to ensure all allegations are investigated and appropriate action taken.

HEALTH AND SAFETY

The Board and Langley House Trust's employees maintain a high level of attention to and awareness of Health and Safety across the organisation. The Board, through the Audit, Risk & Compliance Committee, receives regular reports in relation to Health and Safety and over the last few years has ensured it remains an area for Internal Auditors to validate.

Regular internal Health and Safety audits have taken place during the reporting period alongside unannounced audits from an external health and safety professional. The findings lead to the creation and implementation of an action plan.

QUALITY AND QUALITY MANAGEMENT

The Director of Care and Quality is the lead officer for the Quality Strategy and regularly reports on performance to the newly formed Quality Committee and where required, to the Audit, Risk & Compliance Committee and to the Board.

PARTNERSHIPS

The Group is well regarded by its partner agencies. It is commissioned by a range of public bodies, including the Ministry of Justice and Local Authorities. The Trust has also entered into a number of formal sub-contracting arrangements, which has enabled it to deliver targeted services in new and existing areas. The Trust holds regular meetings with all of its stakeholders to discuss progress, service delivery and to ensure targets are met.

We appreciate the confidence shown to us by those organisations, who have provided grant funding to ensure the Trust can flourish, evolve, and develop new services. Some of these organisations have provided funding over several years.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Reducing reoffending benefits the whole population. The Trust's work is financed through funding from local and central government and other public authorities, and through legacies, donations, and grants. Residents contribute to their accommodation costs but are entitled to claim Housing Benefit and other benefits to allow them to finance their stay; therefore, those in poverty are not excluded from the opportunity to benefit from the Trust's services.

The Trustees' report was approved by the Board on 12th July 2023 and signed on its behalf by:

Ruth Williams
Chair of the Board
12th July 2023

STATISTICS

for the year 2022-2023

116
clients identifying as ethnically diverse

199
clients with self-disclosed disability

474
bed spaces available

2114
clients received our services in the last year

67%
satisfaction reported by clients for impactful key-working with staff

915
clients accessed Activity Hubs in the community

283
new lettings

80%
of clients surveyed were satisfied with service overall

4
Staff Networks launched

168
Members engaged with Clean Sheet

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2023

Opinion

We have audited the financial statements of Langley House Trust ('the Trust') and its subsidiaries ('the group') for the year ended 31 March 2023 which comprise the group and parent statement of comprehensive income, the group and parent statement of financial position, the group and parent statement of changes in reserves, the group cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 the Trust's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing.

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 financial statements section of our report. We are independent of the group 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 trustee's 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 Trust's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements or our knowledge obtained in 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 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.

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the Trust and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 24, the trustees (who are also the directors of the Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2023

We obtained an understanding of the legal and regulatory frameworks within which the Trust and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing, together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Trust's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Trust and the group for fraud. The laws and regulations we considered in this context for the UK operations were the Regulator of Social Housing regulations, CQC Regulations for service providers and managers, employment legislation and taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit, Risk & Compliance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over the timing of income, reviewing accounting estimates for biases, reviewing internal audit reports, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Guy Biggin

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor
Fourth Floor
St James House
St James' Square
Cheltenham
GL50 3PR
Date: 31 August 2023

Langley House Trust
Statement of Comprehensive Income
For the Year Ended 31 March 2023

	Notes	Group 2023 £000	LHT 2023 £000	*Group 2022 £000*	*LHT 2022 £000*
Turnover	3	18,523	18,274	*16,320*	*16,084*
Cost of sales		-	-	-	-
Gross profit		**18,523**	**18,274**	***16,320***	***16,084***
Operating expenditure	3	(19,046)	(18,670)	*(16,298)*	*(16,119)*
Operating surplus	3	(523)	(396)	*22*	*(35)*
Movement in fair value of investments	15	(40)	(40)	*66*	*66*
Loss on disposal of fixed assets	7	(7)	(7)	-	-
Interest receivable and other income	8	60	60	*29*	*29*
Surplus before tax		(510)	(383)	*117*	*60*
Taxation		-	-	-	-
Surplus/(Deficit) for the year after tax		(510)	(383)	*117*	*60*
Total comprehensive income for the year		**(510)**	**(383)**	*117*	*60*

The notes on pages 40 to 58 form an integral part of these accounts

Langley House Trust
Statement of Financial Position
For the Year Ended 31 March 2023

	Note	Group 2023 £000	LHT 2023 £000	*Group 2022 £000*	*LHT 2022 £000*
FIXED ASSETS					
Housing properties	13	7,984	7,984	6,361	6,361
Other fixed assets	14	253	253	306	306
Investments	15	963	963	1,003	1,003
Total fixed assets		**9,200**	**9,200**	**7,670**	**7,670**
CURRENT ASSETS					
Debtors	16	1,808	1,908	1,726	1,725
Cash in hand and at bank		3,702	3,298	5,721	5,310
Total current assets		**5,510**	**5,206**	**7,447**	**7,035**
Less Creditors: amounts falling due within one year	17	(2,907)	(2,856)	(2,722)	(2,690)
Net current assets		**2,603**	**2,350**	**4,725**	**4,345**
Total assets less current liabilities		**11,803**	**11,550**	**12,395**	**12,015**
Creditors: amounts falling due after more than one year	18	(2,760)	(2,760)	(2,842)	(2,842)
Total net assets		**9,043**	**8,790**	**9,553**	**9,173**
Reserves					
Restricted reserves		8	8	5	5
Revenue reserves		9,035	8,782	9,548	9,168
Total capital & reserves		**9,043**	**8,790**	**9,553**	**9,173**

The financial statements were approved and authorised for issue by the Board on 12th July 2023 and were signed on its behalf by:

Ruth Williams	Andrew Newell	Simon Herbert
Chair of the Board	**Board Member**	**Secretary**

Registered Company number: 7888191

The notes on pages 40 to 58 form an integral part of these accounts.

Langley House Trust
Statement of Changes in Reserves
For the Year Ended 31 March 2023

GROUP

	Income and expenditure reserve £000	Restricted reserves £000	Total £000
Balance as at 31 March 2021	**9,421**	**15**	**9,436**
Surplus for the year	**117**	**-**	**117**
Transfers from restricted reserves	10	(10)	-
Balance as at 31 March 2022	**9,548**	**5**	**9,553**
Surplus/(Deficit) for the year	(510)	-	(510)
Transfers from/(to) restricted reserves	(3)	3	-
Balance as at 31 March 2023	**9,035**	**8**	**9,043**

LHT

	Income and expenditure reserve £000	Restricted reserves £000	Total £000
Balance as at 31 March 2021	**9,098**	**15**	**9,113**
Surplus for the year	60	-	60
Transfers from restricted reserves	10	(10)	-
Balance as at 31 March 2022	**9,168**	**5**	**9,173**
Surplus/(Deficit) for the year	(383)	-	(383)
Transfers from/(to) restricted reserves	(3)	3	-
Balance as at 31 March 2023	**8,782**	**8**	**8,790**

The notes on pages 40 to 58 form an integral part of these accounts.

Langley House Trust
Cash Flow Statement
For the Year Ended 31 March 2023

GROUP	Note	2023 £000	*2022 £000*
Net cash from operating activities	i	2	298
Cash flow from investing activities			
Purchase of housing properties		(1,993)	(547)
Purchase of other fixed assets		(89)	(95)
		(2,080)	**(344)**
Cash flow from financing activities			
Interest received		61	29
Net change in cash equivalent		**(2,019)**	**(315)**
Cash and cash equivalents at beginning of the year		**5,721**	**6,036**
Cash and cash equivalents at the end of the year		**3,702**	**5,721**

Note i - reconciliation of net cash flow from operating activities	**2023 £000**	*2022 £000*
(Loss)/Surplus for the year	**(523)**	**117**
Depreciation of tangible fixed assets	504	486
Amortisation of Grants	(82)	(83)
Loss/(Profit) on disposal of asset	-	3
Other non cash changes	-	(66)
Interest received	(1)	(29)
(Decrease)/Increase in provisions	-	(36)
(Increase)/Decrease in debtors	(180)	(230)
Increase in creditors	284	136
Net cash inflow from operating activities	**2**	**298**

The notes on pages 40 to 58 form an integral part of these financial statements.

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

1. LEGAL STATUS

Langley House Trust is registered in England and Wales as a Company Limited by Guarantee (No. 7888191), as a charity with the Charity Commission (No. 1146304) and as a Social Housing Provider with the Regulator of Social Housing (No 4693) as defined by the Housing and Regeneration Act 2008. The registered office is 3 & 4 The Square, Mansfield Avenue, Walsgrave, Coventry, CV2 2QJ.

2. PRINCIPAL ACCOUNTING POLICIES

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2022.

Basis of accounting

The financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing. The accounts are prepared on the historical cost basis of accounting as modified by current asset investments held at valuation and are presented in sterling £.

The Group's financial statements have been prepared in compliance with FRS 102.

As a public benefit entity, Langley House Trust has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS102:

- No cash flow statement has been presented for the parent company,
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole, and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Basis of consolidation

The consolidated financial statements of Langley House Trust incorporates the financial statements of Kainos Community and Clean Sheet under the acquisition accounting basis – see note 23 for more details. On the 1st August 2013 the incorporated Langley House Trust became the sole corporate trustee of Langley House Trust (charity number 290059) which transferred its activities to the incorporated Langley House Trust.

Going concern

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

Turnover

Turnover comprises rental income, service charge income, income from contracts with statutory bodies, including Supporting People Block contracts and care fee income, Ministry of Justice contract, other revenue grants and income from the sale of other goods and services. Such income is recorded in the accounts as it becomes receivable.

The turnover of the Trust also includes legacies, donations, gifts and other income, the accounting treatment of which is included in separate accounting policies.

Supporting People income and expenditure

The Trust operates a number of Supporting People Block contracts. The income from these contracts is recognised in the Statement of Comprehensive Income in the year in which it is receivable and expenditure charged to it in accordance with the matching concept.

Legacies

Legacies are credited as income where the legacy has been received or if, before receipt, where there was sufficient evidence to provide the necessary certainty that the legacy would be received and its value known with sufficient reliability.

Donations, gifts and other income

Donations, gifts and other income are credited as income in the year in which they were receivable..

Operating leases

Amounts due under operating leases are charged to the income and expenditure account as incurred.

Pensions

Contributions made by the Trust into pension schemes on behalf of employees are recognised within operating costs in the income and expenditure account for the period to which it relates.

Employee Benefits

A liability is recognised to the extent of any employee benefits including unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted cost to the employees of the future holiday entitlement and accrued at the statement of financial position date.

Taxation

Parts of the group charge value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. Income is shown in the accounts net of any VAT charged. Expenditure is shown in the accounts inclusive of VAT less the value of any VAT recoverable from HM Revenue and Customs. The balance of any VAT payable or recoverable is included as a current liability or asset in the Statement of Financial Position.

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

Fixed assets

Valuation of housing properties

The Trust operates many of its services from properties it either owns or leases in which living accommodation is provided for clients. Housing properties are included in the accounts at cost less depreciation, unless impairment has occurred or the properties have been transferred from another Registered Provider or charity.

A housing property comprises of several components with substantially different useful economic lives. Each major component is accounted for separately and depreciated over its individual useful economic life as set out in the Fixed Assets section above. Land is treated as a separate asset and not depreciated.

The cost of acquiring land and buildings, including professional fees, and development costs are included in the costs.

Depreciation and impairment of fixed assets, including housing properties

Freehold land is not depreciated. Depreciation on all other assets is calculated to write off the cost of fixed assets on a straight line basis over their estimated useful economic lives.

Fixed assets are depreciated on a straight line basis by equal instalments over their useful economic lives at the following annual rates:

Freehold properties (excluding land):

	Useful economic life	Depreciation rate
Pitched roofs	50 years	2%
Flat roofs	20 years	5%
Windows and external doors	25 years	4%
Heating	20 years	5%
Electrical	25 years	4%
Bathrooms	25 years	4%
Kitchens	20 years	5%
Lifts	10 years	10%
Structure	50 years	2%
Plant and equipment	5 years	20%
Computers	4 years	25%
Motor vehicles	4 years	25%

Leasehold properties are depreciated by equal instalments over the life of the lease or their estimated useful economic life if shorter.

The carrying values of tangible assets are reviewed for impairment where events or changes in circumstances indicate that the carrying values may not be recoverable.

Works to existing housing properties

Expenditure which results in an enhancement of the economic benefits of a property, the creation of a new property component or the replacement of a component that has been treated separately for depreciation purposes is capitalised. In all other instances expenditure on existing properties is charged

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

to the income and expenditure account. This includes expenditure incurred to ensure that the property can maintain its expected level of net rental income or the standard of performance anticipated when the asset was first acquired or constructed or last replaced.

An enhancement of the economic benefits means an increase in the rental stream, a reduction in future maintenance costs or a significant extension of the life of the property.

Social Housing and Government Grants (SHG)

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Non-monetary government grants

On disposal assets for which non-monetary government grants are held as liabilities in the Statement of Financial Position, the unamortised amount in creditors is derecognised and recognised as income in the Statement of Comprehensive Income.

Investments

Investments are stated at market value.

The Investments held have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are re-measured to market value at each statement of financial position date. Gains and losses on re-measurement are recognised in the Statement of Comprehensive Income for the period.

Provisions

The use of provisions is restricted to situations where a liability exists, for example arising under a contract, but where there is some uncertainty as to the timing of the amount of the expenditure or the identity of the creditor.

Restricted reserves

Grants and donations received which have restrictions as to their use are included in restricted reserves. The value of the reserve shown in the balance sheet is shown net of any transfers to the general revenue reserve in respect of expenditure to be financed by the restricted reserve.

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

Revenue reserves

Due to the ever changing nature of policy, funding streams and risk, Trustees are of the view that not every risk and impact can be envisaged.

The Trust's reserves policy has identified that a contingency equivalent to twelve weeks' operating expenditure needs to be maintained in order to cover identifiable and quantified risk and to allow the Trust sufficient time to be able to restructure its operations minimising the disruption to clients.

Financial instruments held by the Group are classified as follows:

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for at amortised historic cost.

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses reported in surplus or deficit. The Group has no non-basic financial instruments at the year end.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

a) **Categorisation of housing properties:**
The Trust has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Trust has considered if the asset is held for social benefit or to earn commercial rentals.

b) **Impairment:**
The Trust has identified a cash generating unit for impairment assessment purposes at a property scheme level.

Other key sources of estimation and assumptions:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Recoverability of rent arrears

The Trust make an estimate of the recoverable value of rent arrears based on factors including the ageing profile of the rental debtors in addition to historical experience of difficulties in recovering rent arrears for clients that have moved on from our services.

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS / (DEFICIT)

GROUP	Turnover	Operating costs	2023 Gain/(loss) on disposal of property, plant and equipment	Operating Surplus/ (deficit)
	£000	£000	£000	£000
Social Housing Lettings(Note 5)	5,347	5,749	-	(402)
Other social housing activities				
Supporting People	349	355	-	(6)
Activities other than social Housing				
Care	8,176	8,491	-	(315)
Ministry of Justice	2,603	2,423	-	180
Other government contracts	1,340	1,475	-	(135)
Voluntary Income	353	114	-	239
Prison Services	162	140	-	22
Other	158	268	-	(110)
Income for generating funds	35	31	-	4
Gain on disposal of property, plant and equipment	-	-	-	-
	18,523	**19,046**	-	**(523)**

LHT	Turnover	Operating costs	2023 Gain/(loss) on disposal of property, plant and equipment	Operating Surplus/ (deficit)
	£000	£000	£000	£000
Social Housing Lettings(Note 5)	5,347	5,749	-	(402)
Other social housing activities				
Supporting People	349	354	-	(5)
Activities other than social Housing				
Care	8,176	8,491	-	(315)
Ministry of Justice	2,603	2,423	-	180
Other government contracts	1,340	1,475	-	(135)
Voluntary Income	295	114	-	181
Other	129	32	-	97
Income for generating funds	35	32	-	3
Gain on disposal of property, plant and equipment	-	-	-	-
	18,274	**18,670**	-	**(396)**

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS / (DEFICIT)

GROUP	*Turnover*	*Operating costs*	*2022 Gain/(loss) on disposal of property, plant and equipment*	*Operating Surplus/ (deficit)*
	£000	*£000*	*£000*	*£000*
Social Housing Lettings(Note 5)	5,072	5,395	-	(323)
Other social housing activities				
Supporting People	519	517	-	2
Activities other than social Housing				
Care	7,482	7,365	-	117
Ministry of Justice	1,585	1,467	-	118
Other government contracts	1,083	966	-	117
Voluntary Income	135	152	-	(17)
Prison Services	188	135	-	53
Other	219	277	-	(58)
Income for generating funds	37	24	-	13
Gain/(loss) on disposal of property, plant and equipment	-	-	-	-
	16,320	**16,298**	-	**22**

LHT	*Turnover*	*Operating costs*	*2022 Gain/(loss) on disposal of property, plant and equipment*	*Operating Surplus/ (deficit)*
	£000	*£000*	*£000*	*£000*
Social Housing Lettings(Note 5)	5,072	5,395	-	(323)
Other social housing activities				
Supporting People	519	517	-	2
Activities other than social Housing				
Care	7,482	7,365	-	117
Ministry of Justice	1,585	1,467	-	118
Other government contracts	1,083	966	-	117
Voluntary Income	111	152	-	(41)
Other	195	233	-	(38)
Income for generating funds	37	24	-	13
Gain/(loss) on disposal of property, plant and equipment	-	-	-	-
	16,084	*16,119*	-	*(35)*

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

4. UNITS/BED SPACES - GROUP

	Social Housing Lettings		Other Social Housing		Total
	Supported Housing	Care Homes	Registered Care Beds	General Needs	
Social Housing					
At 31 March 2023	381	-	116	-	497
At 31 March 2022	**390**	**-**	**90**	**-**	**480**

	2023	2022
Non-social Housing		
Under management at start of year	**3**	3
Under management at end of year	**3**	3

The Trust also owns 43 units (2022: 43 units) of accommodation managed by a third party. As the rights and obligations of the scheme have been transferred to the managing organisation, these units are not included in these accounts.

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

5. TURNOVER AND OPERATING EXPENDITURE

GROUP AND LHT	Supported housing 2023 £000	Care Homes 2023 £000	TOTAL 2023 £000	*TOTAL 2022 £000*
INCOME				
Rents receivable	2,563	70	**2,633**	**2,578**
Service income	2,574	58	**2,632**	**2,412**
Amortised government grants	65	17	**82**	**82**
Turnover from Social Housing Lettings	5,202	145	**5,347**	**5,072**
EXPENDITURE				
Management	2,307	83	**2,390**	**2,372**
Services	2,461	32	**2,493**	**2,195**
Routine maintenance	361	18	**379**	**404**
Planned maintenance	41	6	**47**	**43**
Bad debts	232	(4)	**228**	**186**
Depreciation of Housing Properties	204	8	**212**	**195**
Operating costs on Social Housing Lettings	**5,606**	**143**	**5,749**	**5,395**
OPERATING (DEFICIT) /SURPLUS ON SOCIAL HOUSING LETTINGS ACTIVITIES	(404)	2	**(402)**	**(323)**
Void losses	(806)	(47)	**(853)**	**(1,140)**

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

6. OPERATING SURPLUS

Is stated after charging/(crediting):	**Group 2023 £000**	**LHT 2023 £000**	*Group 2022 £000*	*LHT 2022 £000*
Depreciation of housing properties	363	363	330	330
Depreciation of other tangible fixed assets	142	142	156	156
Operating lease rentals:				
Land and buildings	493	493	477	477
Office equipment	5	5	4	4
Auditors remuneration (excluding VAT)				
In their capacity as external auditors	21	16	19	15
Other fees	11	6	12	12
Loss on sale of other fixed assets	(7)	(7)	-	-

7. (LOSS)/SURPLUS ON DISPOSAL OF FIXED ASSETS

	Group 2023 £000	**LHT 2023 £000**	*Group 2022 £000*	*LHT 2022 £000*
Proceeds of sales	-	-	5	5
Carrying value of fixed assets disposed of during the year	(7)	(7)	-	-
(LOSS)/SURPLUS ON DISPOSAL	**(7)**	**(7)**	**5**	**5**

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

8. INTEREST RECEIVABLE AND OTHER INCOME

	Group 2023 £000	LHT 2023 £000	*Group 2022 £000*	*LHT 2022 £000*
Dividends received on investments	30	30	27	27
Bank interest	30	30	2	2
TOTAL	**60**	**60**	**29**	**29**

9. EMPLOYEE INFORMATION

	Group 2023	LHT 2023	Group 2022	LHT 2022
The average number of staff employed during the year, expressed as full time equivalents, (i.e. 35 hours per week) was:	302	289	292	281

Staff costs	Group 2023 £000	LHT 2023 £000	Group 2022 *£000*	LHT 2022 *£000*
Wages and salaries	8,346	8,056	7,041	6,767
Social security costs	796	774	644	624
Other pension costs	348	335	312	300
Other Employee benefits	5	5	83	83
TOTAL	9,495	9,170	8,080	7,774

During the year ended 31 March 2023, the Trust made severance and redundancy payments of £10k (2022: £12k).

The number of staff whose emoluments plus taxable benefits amounted to over £60,000 during the year was as follows:

	Group 2023	LHT 2023	Group 2022	LHT 2022
£60,000 - £70,000	-	-	3	3
£70,000 - £80,000	2	2	1	1
£80,000 - £90,000	2	2	1	1
£110,000 - £120,000	1	1	1	1

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

10 PENSION OBLIGATIONS

The Trust contributes to a group personal (defined contribution) pension scheme for those qualifying employees who have chosen to join the scheme.

The Trust has no legal or constructive obligation to pay further contributions if the pension provider does not have sufficient assets to pay all benefits relating to employees' service in current and prior periods. Individual members benefits are determined by reference to contributions paid into the scheme in respect of that member.

The cost of the pension scheme is equal to the contributions payable to the scheme for the accounting period. The cost is recognised within operating costs in income and expenditure account for the period to which it relates.

11 DIRECTORS' EMOLUMENTS

No emoluments were paid to Company Directors in 2023 or 2022 by the Trust. They do receive reimbursement of necessary expenses incurred on behalf of the Trust. In 2023 reimbursement of Directors' expenses totalled £3.0k (2022: £0.4k).

	Group 2023 £000	**LHT 2023 £000**	*Group 2022 £000*	*LHT 2022 £000*
The aggregate emoluments paid to or receivable by non-executive Directors and former non-executive directors	-	-	-	-
The aggregate emoluments paid to senior officers, including salary, employer's pension contributions and benefits-in-kind	**490**	**490**	**387**	**387**
The emoluments paid to highest paid officer (Chief Executive), including benefits-in-kind but excluding employer's pension contributions	**117**	**117**	**112**	**112**

The Chief Executive was the highest paid officer and is an ordinary member of the pension scheme. The pension scheme is a group personal (defined contribution) pension scheme funded by the employer, with voluntary contributions payable by the employee. No enhanced or special terms apply to the Chief Executive and there are no additional pension arrangements.

Directors (key management personnel) are defined as members of the Board, the Chief Executive and any other person who is a member of the Executive Management Team or its equivalent.

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

12 TAXATION STATUS

HM Revenue & Customs accepts that Langley House Trust is a charity for tax purposes. The Trust's taxable turnover falls below that required for VAT registration. The Trust has not elected to be taxed.

13 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

GROUP AND LHT

	Completed £000	Under Construction £000	Total £000
COST/VALUATION			
At 1 April 2022	*10,610*	-	*10,610*
Additions	1,955	38	1,993
Transfers	-	-	-
Disposals	(20)	-	(20)
At 31 March 2023	**12,545**	**38**	**12,583**
DEPRECIATION			
At 1 April 2022	*4,249*	-	*4,249*
Charge for year	363	-	363
Eliminated on Disposals	(13)	-	(13)
At 31 March 2023	**4,599**	**-**	**4,599**
NET BOOK VALUE at 31 MARCH 2023	**7,946**	**38**	**7,984**
NET BOOK VALUE at 1 April 2022	*6,361*	-	*6,361*

Housing properties comprise:

	2023 £000	*2022 £000*
Freeholds	7,572	5,968
Long Leaseholds	16	16
Short Leaseholds	358	377
Assets under construction	38	-
	7,984	**6,361**

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

14 TANGIBLE FIXED ASSETS – OTHER

GROUP AND LHT

	Plant & equip £000	Motor vehicles £000	Total £000
COST/VALUATION			
At 1 April	*763*	*278*	*1,041*
Additions	59	30	89
Disposals	-	-	-
At 31 March	**822**	**308**	**1,130**
DEPRECIATION			
At 1 April	*529*	*206*	*735*
Charge for year	102	40	142
Disposals	-	-	-
At 31 March	**631**	**246**	**877**
NET BOOK VALUE at 31 March 2023	**191**	**62**	**253**
NET BOOK VALUE at 1 April 2022	*234*	*72*	*306*

15 FIXED ASSET INVESTMENT

LHT & Group	**2023 £**	*2022 £*
Market value of investments at start of year	1,003	937
Market value of investment sold during the year	-	-
Market value of investments at end of year	**963**	**1,003**
(Loss)/Gain in value during the year	**(40)**	**66**
(Loss)/Gain recognised in the Statement of Comprehensive Income	(40)	66
	(40)	66
Historic Cost of Investments	599	599

All investments are either unit trusts or fixed term investments with UK banks.

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

16 DEBTORS

	Group 2023 £000	LHT 2023 £000	*Group 2022 £000*	*LHT 2022 £000*
Amounts falling due within one year:				
Rent arrears	1,186	1,186	898	898
Less: provision for bad debts	(987)	(987)	(709)	(709)
Non rental arrears	1,274	1,274	1,175	1,175
Less: provision for bad debts	(145)	(145)	(177)	(177)
Prepayments and accrued income	480	480	539	538
Intercompany balance	-	100	-	-
	1,808	**1,908**	**1,726**	**1,725**

17 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £000	LHT 2023 £000	*Group 2022 £000*	*LHT 2022 £000*
Rent credit balances	239	239	278	278
Non rental credit balances	613	613	547	547
Trade creditors	217	217	232	232
Taxation, social security and pension payable	276	260	238	223
Accruals and deferred income	1,478	1,443	1,343	1,326
SP contract income received in advance	-	-	1	1
Deferred Capital Grant (note 18b)	84	84	83	83
	2,907	**2,856**	**2,722**	**2,690**

18 (a) CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2023 £000	LHT 2023 £000	*Group 2022 £000*	*LHT 2022 £000*
Deferred Capital Grant (note 18b)	2,760	2,760	2,842	2,842
	2,760	**2,760**	**2,842**	**2,842**

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

18 (b) DEFERRED CAPITAL GRANT

	Group 2023 £000	LHT 2023 £000	*Group 2022 £000*	*LHT 2022 £000*
At the start of the year	2,927	2,927	3,008	3,008
Grant received during the year	-	-	-	-
Released to income in the year	(83)	(83)	(83)	(83)
At the end of the year	**2,844**	**2,844**	**2,925**	**2,925**
Amount due to be released <1 year	84	84	83	83
Amount due to be released >1 year	2,760	2,760	2,842	2,842
	2,844	**2,844**	**2,925**	**2,925**
Total grant received	**4,721**	**4,721**	**4,721**	**4,721**

19 PROVISIONS FOR LIABILITIES AND CHARGES

GROUP AND LHT	2023 £000	*2022 £000*
Opening balance as at 1 April	-	**36**
Utilised in the year	-	(36)
Additional provision	-	-
Closing balance as at 31 March	**-**	**-**

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

20 CAPITAL COMMITMENTS

	Group 2023 £000	LHT 2023 £000	*Group 2022 £000*	*LHT 2022 £000*
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	559	559	149	149

The commitments as at 31 March will be financed as follows:

	Group 2023 £000	LHT 2023 £000	*Group 2022 £000*	*LHT 2022 £000*
Revenue reserves of the Trust	559	559	149	149
	559	**559**	**149**	**149**

21 OPERATING LEASES

The Trust holds properties and office equipment under non-cancellable operating leases. . At the end of the year the Trust had commitments of future minimum lease payments as follows:

	Group 2023 £000	LHT 2023 £000	*Group 2022 £000*	*LHT 2022 £000*
Land and buildings:				
In one year or more but less than two years	150	150	276	276
In two years or more and less than five years	371	371	372	372
In five years or more	54	54	131	131
Others, which expire:				
In one year or more but less than two years	4	4	4	4
In two years or more and less than five years	5	5	9	9
In five years or more	-	-	-	-

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

22 RELATED PARTIES

Langley House Trust is the Parent entity in the Group and ultimate controlling party. The Group has taken advantage of the exemption under section 33 FRS 102 not to disclose transactions with wholly owned subsidiary undertakings.

During the year the Trust had the following intra-group transactions with its subsidiaries:

	2023	*2022*
	£000	*£000*
Management charges from subsidiaries	16	16
Funding grant provided to subsidiaries	-	179

Management Charges

Intra-group management fees are receivable by the Trust from the subsidiaries to cover the running costs the Trust incurs on behalf of managing the subsidiaries and providing services. The management fee is calculated based on an allocated time by staff members providing the following services:

- Housing Management (including arrears & repairs management)
- IT services
- Finance services including purchase ledger and management accounting
- Executive services

23 SUBSIDIARY UNDERTAKINGS

The company has three subsidiaries, each of which has the same registered office address as Langley House Trust:

1. Langley House Trust is a registered charity (charity number 290059) which transferred assets, liabilities and business to the incorporated Langley House Trust (charity number 1146304) on 1 August 2013. It has been dormant since, and has £10 in its reserves.

2. On 1 October 2013 Langley House Trust acquired, for no consideration, Kainos Community. Kainos Community is a charity which works within prisons delivering services to help rehabilitation.

3. On 1 October 2019 Langley House Trust acquired, for no consideration, Clean Sheet. Clean Sheet is a charity that works to offer people with convictions the hope of a better future by finding sustainable employment.

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

24 FINANCIAL INSTRUMENTS

a. GROUP

	2023 £000	*2022 £000*
Financial Assets Measured at Amortised Cost:		
Rent and Service Charge Debtors	199	189
Other Debtors	1,130	999
Cash and Cash Equivalents	3,702	5,721
Total Financial Assets	**5,031**	**6,909**
Financial Liabilities Measured at Amortised Cost:		
Trade Creditors	217	232
Other Creditors	2,331	2,163
Total Financial Liabilities	**2,548**	**2,395**

a. LHT

	2023 £000	*2022 £000*
Financial Assets Measured at Amortised Cost:		
Rent and Service Charge Debtors	199	189
Other Debtors	1,129	998
Cash and Cash Equivalents	3,298	5,310
Total Financial Assets	**4,626**	**6,497**
Financial Liabilities Measured at Amortised Cost:		
Trade Creditors	217	232
Other Creditors	2,295	2,153
Total Financial Liabilities	**2,512**	**2,385**

25 POST BALANCE SHEET EVENTS

It has been agreed by the Trustees that the Trust will integrate one of its subsidiaries, Kainos Community, after the year-end.

On April 1st, 2023,the trade and assets of Kainos Community will be acquired by Langley House Trust, and Kainos Community ceased trading.

From 1 April 2023 Clean Sheet became its own independent charity again. The Trust agreed to provide a grant of £300k to Clean Sheet between April 2023 up to March 2026 to support Clean Sheet in its onward sustainability. The grant is paid in three equal annual instalments, the first payment was made in March 2023 and is reported as a prepayment in the Trust Accounts and deferred income in the Clean Sheet Accounts.

LANGLEY TRUST

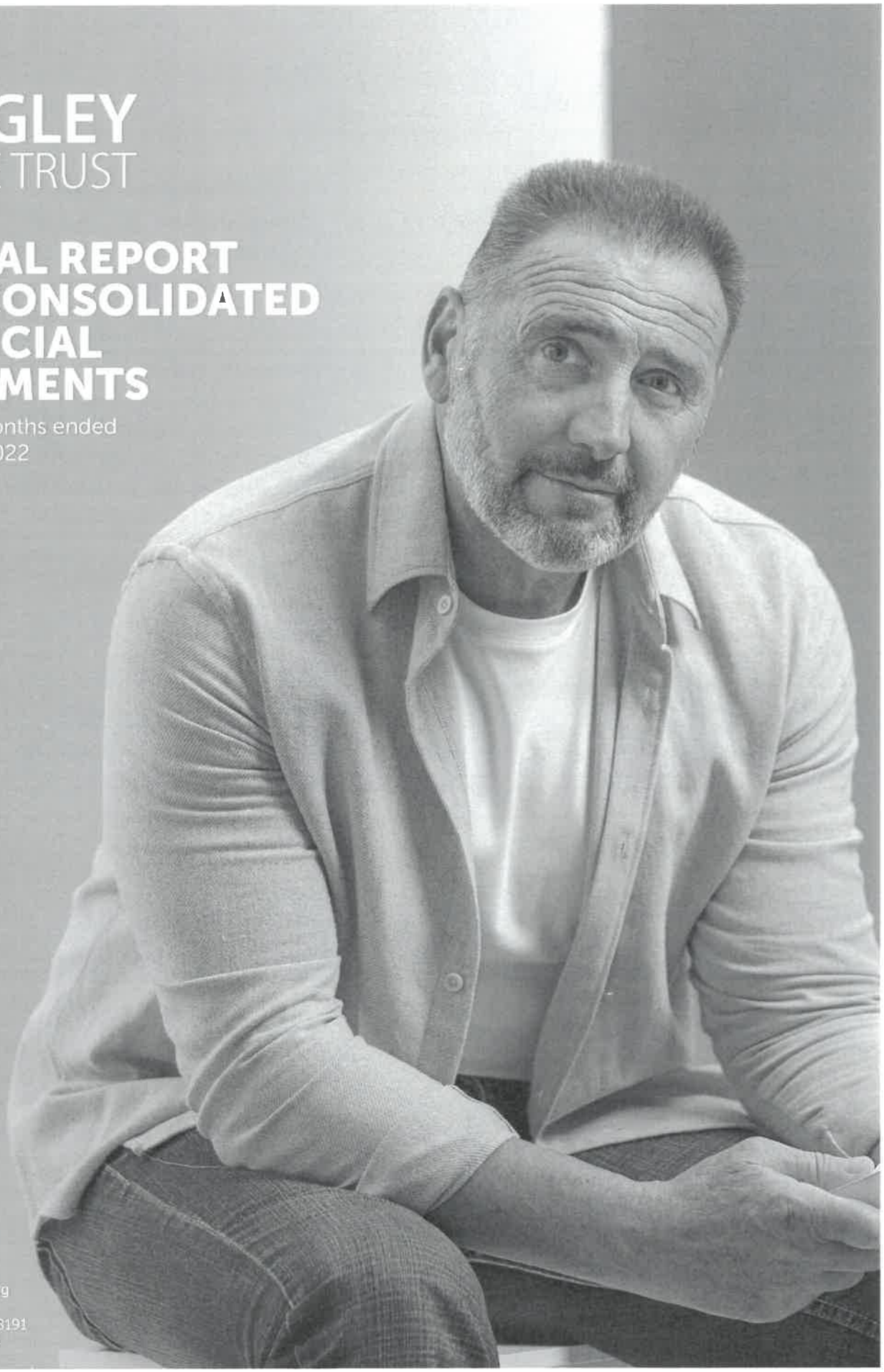
England & Wales - Charity number 1146304

Accounts

LANGLEY HOUSE TRUST

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the 12 months ended
31st March 2022



langleyhousetrust.org

Company No. 07888191
Charity No. 1146304

INVESTORS IN PEOPLE | Gold

THE INVESTORS IN PEOPLE AWARDS 2020 Finalist

ISO 27001 INFORMATION SECURITY MANAGEMENT

NATIONAL HOUSING FEDERATION

2021 charitytimes Awards Finalist

Registered with FUNDRAISING REGULATOR

Key Individuals

PATRONS

The Rt Rev. and Rt Hon. the Lord Williams of Oystermouth

The Lord Ramsbotham GCB CBE

Mr Jonathan Aitken

AMBASSADORS

Ademola Oshodi

Professor Chris Lewis

FELLOWS

Mrs Elfrida Calvocoressi SRN, SCM

Mr Colin Honey

Mr Anthony Howlett-Bolton BA (Hons), FCMI, FSYI

Mr David Lane

Mr Tony Pearson CBE, BA (Hons), DPSA

TRUSTEE BOARD MEMBERS*

Chair

Malcolm Hayes BSc (Hons) F.I. Chem.E, FCII, C.Eng. C.dip A.F (until 11th June 2022)

Ruth Williams R.N. DipN (Lon), MSc (from 12th June 2022)

Vice Chair (Development)

Ruth Williams R.N. DipN (Lon), MSc (until 11th June 2022)

Other Trustees

Andrew Newell MBA, FCIB

Philip Hilton, MA (Cantab) PhD (until 21st October 2021)

Michael Maiden BA, DMS

Sandra Keene CBE, BSc, DSW, CQSW

Amanda Coyle MSc, MBA, TksA

Stephen Cooper ACIB

Stephen Lawes BA, ACA

Folasade Odupelu PGDip, MCIPD, MSc

Linda Faith Trew PGDip, CIOF (Cert)

Co-opted Members of the Board

Lynn Weston BA (Hons) (from 26th January, 2022)

Richard Montgomery MBA, BSc (from 26th January, 2022)

EXECUTIVE DIRECTORS

Chief Executive

Tracy Wild MA Bsc (Hons), PgC, CIH

Corporate Services Director

David Wm. Reynolds FCMA, CGMA (until 31st December 2021)

Director of People

Olukemi Jeboda, Chartered FCIPD, MBA, MSc (appointed from 1st March 2022)

Director of Finance and Business Services

Simon Herbert ACA (appointed from 1st April, 2022)

Corporate Operations Director

Chris Metcalfe

Corporate Director-Quality and Compliance

Stella Wint

National Chaplain

Rev. Andy Rider MA, BTH

COMPANY SECRETARY

David Wm. Reynolds FCMA, CGMA (until 31st October 2021)

Richard Floy BSc, FCCA (from 1st November 2021 to 31st March 2022)

Simon Herbert ACA (from 1st April 2022)

REGISTERED OFFICE

3-4 The Square, Manfield Avenue, Coventry, CV2 2QJ

REGISTERED NUMBERS

Registered Company number: 07888191

Registered Charity number: 1146304

Registered Social Housing Provider number: 4693

PRINCIPAL ADVISORS

External Statutory Auditors - Crowe U.K. LLP

4th Floor, St James House, St James' Square, Cheltenham, GL50 3PR

Bankers

Bank of Scotland, 33 Old Broad Street, London, BX2 1LB

Solicitors

Blake Morgan, Seacourt Tower West Way, Oxford, OX2 0FB

Contents

Chair's review	4
Strategic report	6
Our partners & funders	15
Board's responsibility statement	22
Trustees' report	23
Independent auditors' report to the members of Langley House Trust	30
Statement of comprehensive income	33
Statement of financial position	34
Statement of changes in reserves	35
Cash flow statement	36
Notes to the financial statements	37

*The Trustees are Directors and Members of the Company within the meaning of the Companies Act. The Executive Directors are neither Directors nor Members of the Company under the definition of the Companies Act.

Chair's Review

As I look back over the past year at Langley I am struck by both the extent of change our staff and clients have endured and at the other extreme, the considerable aspects of our work and the way in which we deliver services that have remained unchanged.

Change has been thrust upon us at every turn by the pandemic and at times weekly adjustments to government guidance which has had an enormous impact on our people. Delivering safe services has continued to mark us out as different to many in this sector and once again I am in awe of the calibre of our staff here at Langley. Our people are resilient and fiercely committed to caring for our clients, whether in care services, supported housing or through the provision of finance, benefit and debt as well as accommodation advice. Clients who find themselves being looked after by a Langley member of staff cannot help but notice the difference and I am proud to say that the outcomes we deliver demonstrate the effectiveness of that care as well.

This past year has seen changes to the way we have structured our executive team as we have introduced the People Directorate and Chaplaincy Directorate, recognising the need to respond to these growth areas within our business and ensure appropriate leadership within these specialisms. We have expanded our reach with the introduction of our Shaw Trust partnership across 7 activity hubs, where finance, benefit and debt services and accommodation advice are delivered within easy reach of the client. We have made the decision to purchase a new care home and ring-fenced the money to do so, and we have opened our doors at Box Tree Cottage to the provision of a new service, an Independent Approved Premises (IAP) which we are delivering on behalf of Her Majesty's Prison and Probation Service (HMPPS). For HMPPS this represents the first new male AP in over 30 years and I am absolutely delighted that the delivery sits within Langley House Trust.

There is a lot of confidence in Langley and as I reach the end of my tenure as Chair of the Board of Trustees in June this year I am proud to be handing over the reins at such a time as this: it is a time where strategic partners are engaging strongly with us and where we need more bed spaces for care clients because we are oversubscribed. Our ongoing response to the pandemic has been consistent and remarkable, and I am confident, as is the Board, that we have learned how to navigate our way through the rise and fall of Covid, which may well continue for some time yet. Our staff are adaptable and continue to take responsibility for their own safety and that of their colleagues and clients – I am immensely grateful.

Our values remain at the heart of Langley, are part of our legacy and keep us anchored to what matters most. We have developed a stronger, clearer voice in the Equality, Diversity, and Inclusion space, which is valued by clients and staff alike, and well supported by our Communications and Chaplaincy teams. I have seen examples of real organisational culture being developed and championed by Langley this year, through our engagement with staff, the online carol service and a greater presence on social media. Within our services too I can see evidence of clients and staff being offered opportunities to learn about and reflect on range of EDI topics as well as faith-based matters, all of which help them to grow.

I am committed to seeing Langley continue to improve as an employer of choice and the opportunity to be re-assessed for Investors in People Gold this year is testimony to the strength of our organisation. Langley continues to feature as finalist in a range of external awards and our staff survey, probably the most important benchmark of all, gave us good feedback last year.

There is so much to be thankful for and I am deeply grateful to God for His favour and kindness to this organisation. As we continue to genuinely put Him at the heart of it, I am confident Langley will thrive and continue to have all that it needs to serve the clients who need our support and care for many years to come.

Malcolm Hayes
Chair of the Board (until 11th June, 2022)
13th July 2022

I am delighted to be assuming the reins as Chair of Langley House Trust's Board of Trustees. This Annual Report shows the good health of our organisation, and I am thrilled to be leading Langley House Trust and Kainos as we come out of the restrictions of the pandemic. I look forward to building on the strength of all that is described in this Annual Report, and appreciate the experienced team I have around me.

Ruth Williams
Chair of the Board (from 11th June, 2022)
13th July 2022

Strategic Report

ABOUT US

Langley House Trust is an innovative Christian charity that provides specialist housing, programmes and support services in the community for offenders seeking to live crime-free. Since 1958 we have earned an enviable reputation for reducing offending with proven results.

The Trust seeks to use its faith base (which is centred on Christ and His teachings) to the advantage of clients, not by proselytising them, but by having a living ethos where all individuals are seen as of worth and capable of change. As a Christian charity we seek to support and care for clients, helping them to reach their full potential and become positive contributors to society.

Langley House Trust is the parent company to two subsidiaries that complement its work and contribute to its overall mission. These are:

Kainos Community – which delivers a Ministry of Justice accredited programme called Challenge to Change, currently delivered at HMP Lancaster Farms.

Clean Sheet – which offers people with convictions the hope of a better future by finding sustainable employment.

Langley House Trust worked with 653 clients who needed accommodation during 2021/22 and has a reconviction rate of less than 3% for those in our housing.

We work with adult men and women (18+), who have offended or who are at risk of offending. We are skilled in working with those deemed 'hard to place' and those with complex needs.This includes individuals, who are subject to MAPPA (Multi-Agency Public Protection Arrangements).

OVERARCHING VISION

Our vision is of a crime-free society where no-one is unfairly disadvantaged or excluded because of their past.

MISSION STATEMENT

The mission statement for Langley House Trust was last reviewed in 2018/19 to ensure it continues to be relevant. It states: 'As a Christian organisation we support people, who have offended, or are at risk of offending, so they reintegrate into society, live crime- free and thrive.'

Langley House Trust will always see accommodation as a core part of its offer to the Criminal Justice Sector. We know that without suitable accommodation no other rehabilitative intervention stacks up. Ensuring people leaving prison have a suitable place to live is key to seeing them be able to live crime-free lives in the future.

The accommodation we provide to those, who have offended or who are at risk of offending, is located in 21 geographical locations in both urban and rural settings. The accommodation includes hostels, dispersed supported housing, registered care homes and dispersed accommodation with extra care provision. During 2021/22 we worked with Her Majesty's Prison and Probation Service (HMPPS) to secure a contract to provide accommodation and support through an Independent Approved Premises (IAP), which opened in April 2022.

Our housing support services enable people to maintain a tenancy, develop their skills to budget, access and manage support for addictions and mental health issues, engage

with key community services (e.g. GPs and advocacy services), access education and develop their employability skills.

Our residential care and extra-care services provide high levels of support for people with complex mental and physical care needs; offering one-to-one support, 24/7 staff supervision, specialist psychiatric and psychological support for mental health issues and the development of independent living skills where required.

Our registered care homes provide placements for individuals coming from medium secure units, who require step-down services and are under mental health sections (e.g. section 41 or section 117). Each placement is individually assessed to ensure that individuals receive the correct care and support they require, which is responsive to changing needs.

ADVICE AND REHABILITATION IN PRISON

We provide targeted advice in 18 prisons addressing key issues relating to housing, debt, finance, benefits, gambling and reintegration into the community for long-sentenced prisoners.

ADVICE AND REHABILITATION IN THE COMMUNITY

This year saw the extension of accommodation and debt advice services through 7 national Activity Hubs as we were successful in our bid to deliver work on behalf of Shaw Trust.

KAINOS COMMUNITY

Through Kainos Community we deliver Challenge to Change, an accredited prison wing community programme. Challenge to Change incorporates cognitive behaviour therapy and a therapeutic community environment in which participants live 24 hours a day, seven days a week for six months. The programme is based on the principles of forgiveness, accountability and restoration, challenging participants to examine their thinking, attitudes and behaviour in order to live crime-free on release.

Covid presented a number of challenges to the delivery of Challenge to Change, including lockdown and participants' self-isolation periods to manage positive cases. Despite these obstacles, the team successfully engaged 40 participants and saw 5 graduate during 2021-22.

CLEAN SHEET

Clean Sheet became part of The Langley Group in 2019 and its aim is to help people with convictions (their Members) to find employment, thereby creating social change and a safer society. They do this by providing a tailored employment support service, working with Clean Sheet Members for as long as it takes for them to find work. In 2021/22, Clean Sheet helped over 280 Members to find employment or training, a 40% increase on the previous financial year. This was no small feat particularly as the country was still recovering from the Covid-19 pandemic.

Clean Sheet delivers its work collaboratively, accepting referrals from organisations in the community supporting people with convictions and working in partnership with businesses to look beyond the stereotype and consider applications based on merit skills and experience.

Clean Sheet's funding comes from a range of sources: investment from Langley House Trust Group, prisons, community partnerships,

grant funding, employers' contributions and supporter donations.

LANGLEY HOUSE TRUST APPROACH

Our approach is pragmatic, responsive and tailored to each person that we work with. At the heart of our approach is the belief that people can change regardless of their history. Consequently we have a track record of success in working with people, who have previously failed in other placements.

Our approach is:

- **Person-centred –** with a focus on recovery and independence. Care and support is shaped around the distinct needs and aspirations of each person. We support people to live as independently as possible, develop living and financial skills, access training, education and employment opportunities and participate in local community life.

- **Respectful of privacy and dignity –** we take the privacy and dignity of our clients seriously. We empower people to make their own choices wherever possible.

- **Risk-management focused –** our risk assessments and risk management plans are comprehensive and responsive to changing risks and needs. We work in close partnership with stakeholders involved in the supervision of clients including the National Probation Service. Safeguarding is of primary importance and we have comprehensive policies and procedures in place in relation to both the safeguarding of vulnerable adults and children.

- **Committed to partnership working –** in addition to working with statutory agencies to manage risk, we also work with education and training providers, voluntary organisations, businesses and faith groups to provide volunteering, education, training and employment opportunities for our clients. We are committed to working in partnership to maximise resources, share good practice and ensure best possible outcomes are achieved.

- **Responsive to client input –** creating ownership and autonomy. Our National Consultative Group provides a forum for clients to meet with senior staff and Trustees. The National Consultative Group meets three times a year and agendas include reviewing policies and procedures and discussing topical subjects that affect their everyday lives. We have a range of formal and informal feedback options including an annual satisfaction survey, comment cards and client forums (regional and national). All formal feedback is monitored and used to improve services at a local and national level. Although we engage clients in Kainos Community, the prison-based clients have limited abilities to engage outside of their programme team.

- **Focused on Equality, Diversity and Inclusion –** our Equality and Diversity Policy covers all nine of the protected characteristics recognised by the Equality Act 2010. During the year we have developed an Equality, Diversity and Inclusion (EDI) calendar, approved by our Steering Group, and strengthened the Group's focus on the strands of our E,D & I framework, drawing attention to particular themes each month.

GROUP PERFORMANCE

Langley House Trust's Registered Care Bed spaces remained static during 2021/22 at 100. As planned, the Supported

Housing bed spaces remained at 408 for the majority of the year, with planned reductions being phased in towards the end of 2021/22; this enabled the transition of Box Tree Cottage into an IAP, and improvements to the quality of our offer at Tekoa.

Since 2017 income has also grown by £4.0m (32.5%) and net assets have grown by 21.5% to £1.7m.

REOFFENDING RATE OF OUR CLIENTS

The reconviction rate for clients of the Trust whilst with us remained within the target of 3%. This is one of the lowest reconviction rates in the country, enabling men and women to live crime-free.

COVID-19 AND POST-PANDEMIC LANDSCAPE

During 2021 and 2022 the covid pandemic still affected service delivery with outbreaks occurring at a local and national level. The previously formed Covid taskforce continued to meet and coordinate the Group's response to ensure colleagues and clients remain safe, and sufficient staff were available to deliver our key services.

The levels of sickness due to covid and other associated issues has been challenging. In addition, the post pandemic landscape is one where core costs are rising at a higher rate than contract payments. Additionally, across all sectors there are significant recruitment challenges in being able to recruit and retain staff. This has led Langley House Trust to become more innovative in its approach to recruitment using social media, local churches, and universities to attract potential candidates.

In considering its pay award for 2022-23, Langley House Trust made the decision not to go for an uplift across its entire staff group but to target higher uplifts to its lowest paid staff, with its highest paid executives receiving no uplifts. This decision was in the context of those lowest paid colleagues being more likely to be hit hardest through the predicted and real rises in costs of living.

Langley House Trust has a resilient team of colleagues, and this has been shown by the way teams have continued to deliver vital services, going the extra mile to see clients' lives changed for the better.

CARE QUALITY COMMISSION (CQC)

Due to the pandemic the Care Quality Commission changed its approach to inspections. As a result, we have not had any full inspections. Three services, Chatterton Hey, The Shrubbery and Ashdene have undergone Direct Monitoring Approach meetings. There were no concerns raised and no actions required following these meetings.

ACHIEVEMENTS DURING 2021/22

New HR database and self-service system

ElementSuite was selected as being the most suitable HR software system that would allow our people to manage their own profiles as well as enabling managers to oversee recruitment, absences, rotas etc. It is equally accessible on laptops, mobiles (through an application) as well as on tablets. This will allow colleagues and managers to easily manage key aspects of HR.

Awards

In 2021/22 we were proud to be shortlisted for two Charity Times Awards, namely 'Charity of the Year' and 'HR Management'.

Launch of Independent Approved Premise

2021/22 saw us commissioned by Her Majesty's Prisons and Probation Service (HMPPS) to deliver a new service from

April 2022, in the form of an Independent Approved Premise (IAP). HMPPS had not opened a new AP for over 30 years so we were delighted to be able to re-roll our existing provision in Bradford and after consultation with key strategic partners, make provision and alterations to the property to meet the requirements for an AP.

Launch of Shaw Trust Contract

During 2021/22 Langley House Trust launched a new specialist advice service for prisoners and ex-offenders as part of CFO Activity Hubs, which was contracted by the Shaw Trust. This advice is being delivered from Activity Hubs, situated in Birmingham, Stoke-on-Trent, Wolverhampton, Leicester, Nottingham, Peterborough, and Norwich. Its key aims were to:

- Actively engage with participants who may have complex or multiple barriers within a one-to-one and group setting and are unlikely to benefit from other services
- Support a participant journey led by the participant to encourage sustained engagement and therefore progression
- Developing an individual's life skills, communication, and self-worth in preparation for the next steps on their journey; signposting to other provision as appropriate
- Reduce and remove barriers to community reintegration

This service is already a great success, and it works alongside our other similar contracted services. The Trust has seen numerous positive outcomes from clients using the services, which help them to manage and deal with substantial outstanding debt, allowing them to make positive choices on their release from Prison.

Securing Care Frameworks

During the year Langley House Trust successfully applied to become part of two more care frameworks in Bradford and in Kent. This allows the Trust to have agreed funding for care referrals from these geographical areas.

Head of Chaplaincy

In August 2021 we welcomed Penny Maginn to our newly created Head of Chaplaincy role; in a short space of time this has already enabled us to properly support our chaplains and to develop the role in client-facing services.

Penny has previously worked as a parish priest in the Church of England and more recently as a Prison Chaplain.

Executive Team Structure

During 2021/22 we made the decision to split our Corporate Services Directorate into two specialist directorates, overseeing 'People' and 'Finance and Business Services'.

Director of People

The creation of a new role, Director of People, has brought Olukemi Jeboda to the executive team from 1st March 2022. The new Director of People role sees the Trust bring together the oversight of all its people, including staff and volunteers. This new role will help us achieve our ambition of seeing our people be the best versions of themselves at work and being equipped and skilled to deliver high quality life changing work to our clients.

Olukemi is an experienced HR professional who has worked in a variety of sectors and will bring a wealth of knowledge and experience to the Trust. For the last 13 years she has worked at the Hyde Group, a G15 housing association with approximately 1100 employees and more than 105,000 customers. She sits on the Boards of Thames Reach Charity and Thames Reach Housing and is also a non-Magistrate member of the Judicial Office Advisory Committee.

Director of Finance and Business Services
This role has been remodelled to focus more on the sustainability of the Trust. Simon Herbert joined the Trust as Director of Finance and Business services on 1st April 2022. Simon was previously a director with Samaritan's Purse and prior to that worked for G4S where he gained experience working within the Justice sector. Langley House Trust is in a strong financial position, but it is keen to steward its resources well, ensuring we leave a solid legacy for generations to come and that resources are used to deliver and develop our missional and life changing services.

Management Development Programme
During 2021/22 we celebrated our third set of graduates completing our in-house, accredited programme which invests in developing leaders. Many previous graduates have gone on to new roles or testified in the personal benefits of the course. Meeting monthly over the year allows learning to be applied and not simply acquired; follow up after the course includes personal coaching.

Staff Recognition
The Trust has continued to review its approach to staff recognition in response to feedback through our annual staff survey. Having reviewed and relaunched our approach to staff awards we developed a video to support the communication of this to staff, and more broadly formalised our approach to staff recognition within one document. The Trust has already seen this newly revised approach bear fruit, in that the staff awards (which will be celebrated at our People Conferences in June) attracted 60 nominations, which is a huge increase from previous years.

Online Staff Conferences and Carol Services
Despite the pandemic curtailing some large gatherings the Trust successfully held staff conferences live and online during 2021/22. Running 6 half-day repeated conferences online, we saw 260 staff engage and the feedback was very positive as people recognised the benefits of coming 'together', albeit virtually.

For the second year running the Trust also delivered a successful pre-recorded carol service. The carol service visited a couple of services and included client testimonies and local staff contribution; again, much positive feedback was received from staff and clients alike.

Focus Groups
This year saw the launch of staff focus groups; these allowed staff to sign up to give the Trust feedback across a number of key areas which had been highlighted through the annual staff survey. This process of following through has allowed rich information to be fed into decision making and the development of an action plan to capture and prioritise actions to be taken forward from these focus groups. During 2022 we intend for the focus groups to be extended to clients as well as staff and they will be repeated on a regular basis, becoming an important rhythm for the Trust.

New Operational Quality Committee
A new operational quality committee has been launched. This allows for governance to be strengthened around operational quality.

ISO27001
We achieved certification of this accredited status in May 2021. ISO27001 certification offers assurance to stakeholders and clients that the organisation manages the security of their information well.

Repairs Programme
During 2021/22 a new software system has been introduced to manage the reporting and outcomes of property repairs across the Trust. This new system will help us to more consistently report the feedback from staff and clients on the quality and timeliness of repairs.

Quality software System
During 2021/22 a new software system was introduced to track key quality performance indicators at a service level. This software system has also coordinated and allowed incidents to be reported. The quality system is already assisting in the tracking of trends which help the organisation to target actions not only at a local level but also nationally.

GROWTH DURING 2021/22

As a business we continued to grow in all domains: our income increased by 3.7% during 2021/22, despite this sector being a very challenging environment to expand in during the pandemic. We extended our reach into new services as already described and saw 12.9% growth within our staffing. We have continued to maintain and develop a Christian ethos that provides an environment which will stimulate growth in our clients and our people (staff and volunteers).

BUSINESS GROWTH ASPIRATIONS FOR 2022/23

The Group's strategic objectives are to:

1. Maintain and develop a Christian ethos that provides an environment which will stimulate growth in our clients and our people (staff and volunteers)

2. Continue to grow and develop both the capacity and models we offer the justice sector, within the community and in prison

3. Whilst remaining relevant and missional, continue to increase levels of quality and efficiency in the delivery of services

4. Continue to increase financial and staff capacity to enable more sustainable effective delivery of the Trust's mission

5. Be a partner organisation of choice to both commissioners and referrers.

The Group has considered the principal risks and uncertainties to the Group and has addressed these within the Trustees' Report (refer to page 26).

The Group has several strategies that identify sufficient resources to improve its services and prioritise its improvement plan, ensuring that Langley House Trust, Kainos Community and Clean Sheet remain partners of choice within the sectors in which they operate. The Group has reviewed the risks to its business in the light of the Coronavirus pandemic and looked to eliminate, mitigate, or acknowledge these risks.

It is anticipated that the Langley House Trust Group will continue to grow and develop new services; the clients for whom it will provide new services will include offenders and those at risk of offending in the following groups:

- Complex needs
- Elderly offenders (including end of life care and those with long-term health conditions)
- Mental health issues (including enduring conditions)
- Learning disabilities
- Women
- High risk of harm clients

The growth priorities continue to be:

Care

As the care bed capacity in the Trust fills completely, it is important that the Trust seeks to grow and develop more potential to house those with care needs within the Trust. In the context of this, the Trust is actively seeking a building to deliver care from in a new geographical location.

Supported Housing

A range of supported housing solutions will always remain a core offer from the Trust and it is important that we not only replace any attrition in supported housing beds, but also look to grow and develop in sustainable ways. Also, we intend to purchase more properties in Rochdale to allow Tekoa House to offer a model of single room occupancy going forward.

Justice

The Trust will continue to offer vital services to the Justice Sector and will continue to work closely with HMPPS to ensure we are relevant and continue to be a partner of choice.

Mergers and Acquisitions

The Group remains interested in further mergers and acquisitions. The key factors on deciding the appropriateness of such alliances include the organisation's work being in harmony with the Group's mission, the proposition adding value and the venture being financially viable.

Future Prospects

The Group has shown itself to be resilient and adaptable to a fast-changing market. However, the future still remains very uncertain; this Annual Report is written against the backdrop of the global pandemic and only now are we beginning to see the effect of this and other global issues impacting on the economy and national priorities.

Business Aspirations for 2022/23

Our business aspirations include:

Investors in People (IIP) reaccreditation

The Trust currently has IIP gold status and during 2022 it is scheduled to be re-evaluated. Since the last assessment in 2019 the Trust has worked on a number of areas to support our people such as:

- Developing a more formal, clearly defined approach to recognition;
- Engaging staff feedback in more creative ways;
- Continuing to develop our understanding and outworking of ethos and values;
- Communicating with our people in more consistent ways, especially when contact between colleagues was more challenging during the pandemic.

Cyber Essentials and Cyber Essentials Plus

The Trust is planning to become accredited with Cyber Essentials then moving to the higher level of accreditation of Cyber Essential Plus. This is in recognition of the challenges that cyber security brings and the accreditation will give the organisation further assurance that it is managing its information technology and systems infrastructure well.

Succession Planning

The world of work is evolving and along with it, we have seen the competition for talent intensify. It has become apparent that the skills shortage experienced across all sectors in the UK will not be addressed by external recruitment alone. At Langley, in addition to our recruitment drive, we are focussing on developing our internal talent to fill leadership and business-critical roles required now and in the future. We will

also ensure a clear alignment between our approach to talent management, our values, and our business plan in order to future-proof the organisation.

Staff Benefits
We are committed to ensuring that our people feel valued and to this end, we have commenced a review of how we reward and recognise our staff. We intend to develop an enhanced benefits package that supports our staff wellbeing and motivates them to reach their highest potential. We have also reviewed our approach to recognition and maintained our pay strategy even in the face of the challenging economy.

Property Review
Ensuring properties we retain help us to meet missional objectives is important. We are committed to securing higher levels of ownership of resettlement properties so that we invest in their infrastructure, ensuing they are to a good standard. This also allows more affordable and sustainable rents and service charges to be applied.

Environmental strategy
The Trust intends to review its environmental strategy, measure its carbon footprint and intentionally work to become carbon neutral. It also is looking to acquire and develop its stock to EHC level C.

Quality and Mock Inspections
Much work is planned during 2022/23 on developing a regular rhythm of internal mock inspections to complement both external CQC visits and visits through internal auditors. This will allow us to develop and grow the practices within our registered care services, learning from issues identified.

Church Engagement
The Trust plans to grow the area of church engagement. Currently recruiting and retaining staff is challenging and through church engagement the Trust hopes to add another avenue to attract potential staff applicants. Also, church engagement will develop awareness of our brand and increase the number of people who actively support the work of the Trust.

FUNDRAISING

The Group ran two fundraising campaigns: one at Easter, supporting the installation of outside covered canopies to facilitate meeting areas for clients and their families and a Christmas appeal to raise money specifically for Tekoa House. Both campaigns were successfully received and raised vital funds for the Group.

THANKS

Langley House Trust, Kainos Community and Clean Sheet have a number of loyal supporters, who generously support the work of the Group. We are so grateful for their ongoing support. This support allows the Group to invest in new growth and new initiatives, which in turn improve the lives of our clients.

We are extremely grateful for all those, who have generously supported our work – individuals, churches, charitable foundations and businesses. Their support has been invaluable in helping to sustain and enhance the services we provide in a time especially throughout the pandemic when resources and demands were increased.

The importance of having these funding streams cannot be underestimated – through these we are able to respond to local needs and to be more flexible in our support approach. This enhances our core services and makes a significant difference between managing a problem and transforming someone's life for the future.

We are thankful to all the volunteers, who support Langley House Trust, Kainos Community and Clean Sheet for the value they add to our work and the difference it makes to the lives of our clients. We would also like to thank our staff, who are committed to changing the lives of those we work with and who often go the extra mile to ensure our work makes a difference.

OUR PARTNERS

The Group is grateful to colleagues in partner agencies and organisations including Homes England (previously the Homes and Communities Agency), The Ministry of Justice, Her Majesty's Prison and Probation Service Community Rehabilitation Companies, Supporting People Teams, Social Services, the Police, National Health Service (NHS) Trusts, Integrated Offender Management Teams, Police and Crime Commissioners and all those that work alongside us to help people to live crime-free.

The Trustees also acknowledge with gratitude those partner organisations from whom we lease property including: BPHA, Cheltenham Borough Council, Coventry City Council, the Methodist Church in Great Britain, Milnrow Properties, MHS Homes, Places for People and Your Housing.

FUNDERS

The Trustees thank all of those, who have funded initiatives in the year. We would particularly like to thank:

- The Caron Trust
- The Hanley Trust (1987)
- The Norman Evershed Trust
- The David Pickford Charitable Foundation
- The Velnoweth Good Champions Trust

LEGACY

We would like to especially thank the families of the following people, who kindly left a legacy in support of our work.

These gifts are gratefully received and the individuals will be remembered in building a better future for our clients and the growth of the Group.

- The late Edwin John Bird
- The late Ruth E Wren

Their legacy lives on through all we do in helping individuals live crime free lives.

FINANCIAL REVIEW

The Trust reported an Operating Deficit of £35k in 2021/22 (2020/21:surplus £778k).

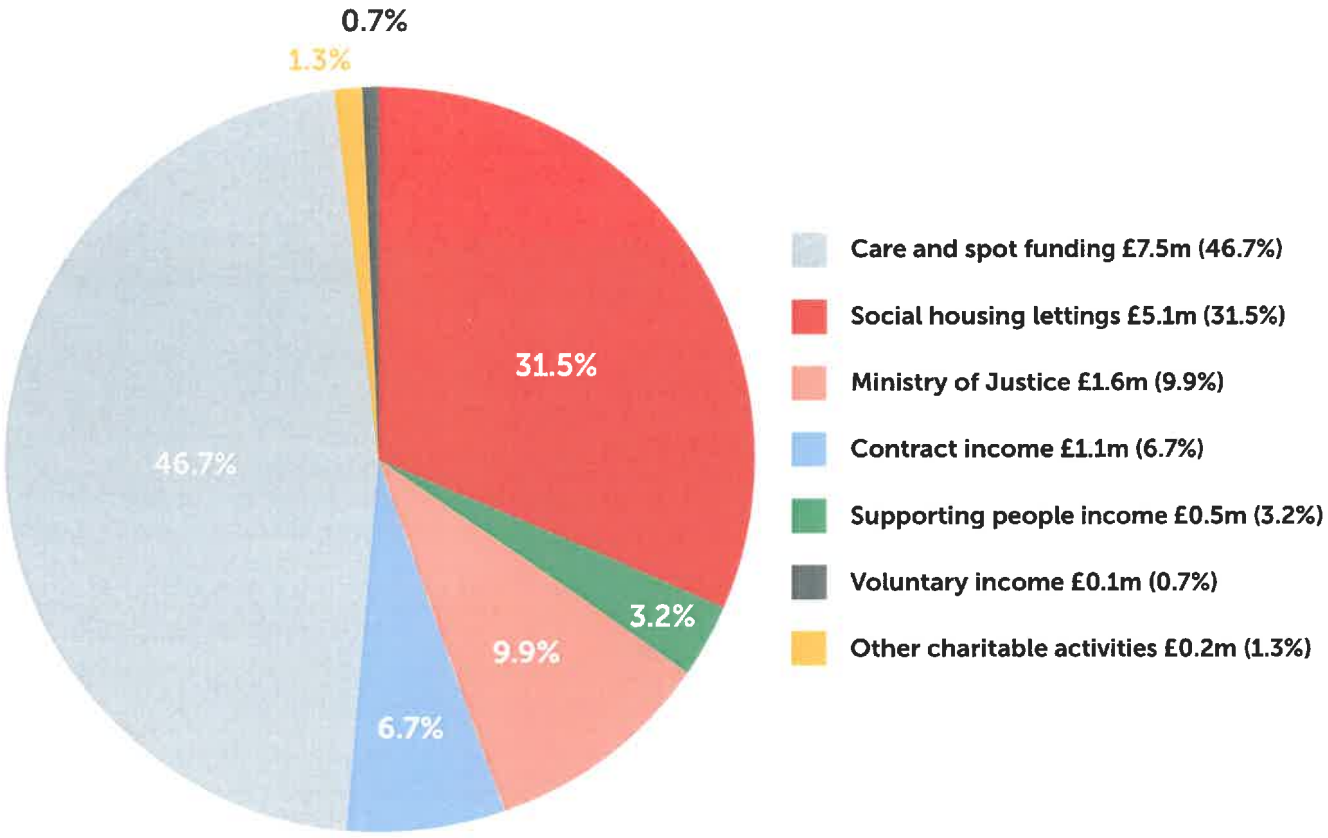
The Trust's policy is to write off all set-up costs at the point of a unit becoming available for occupancy.

A summary of the Trust's five year financial performance is as follows:

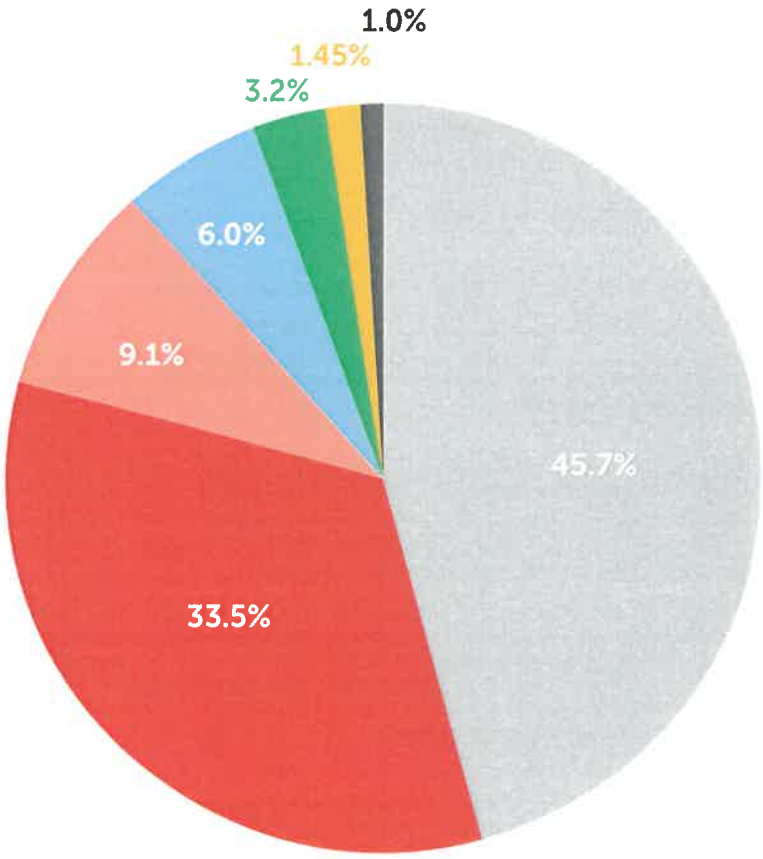
Year	Income	Operating Costs	Operating Surplus / (deficit)	Operating Surplus / (deficit)
	£'000	£'000	£'000	%
2017/18	12,098	11,924	174	1.4
2018/19	12,299	12,646	(347)	(2.8)
2019/20	13,430	13,156	274	2.0
2020/21	15,512	14,734	778	5.0
2021/22	16,084	16,119	(35.0)	(0.2)

These figures have been prepared under FRS 102.

OPERATING INCOME 2021-22



OPERATING EXPENDITURE 2021-22



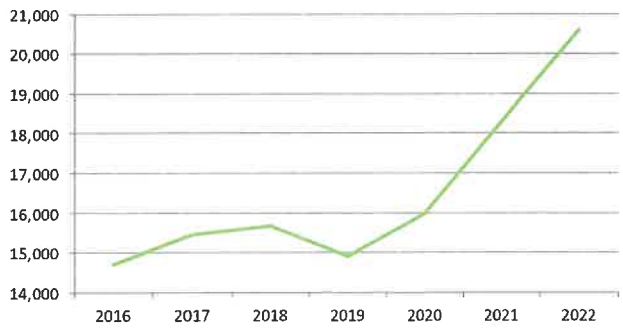
- Care and spot funding £7.4m (45.7%)
- Social housing lettings £5.4m (33.5%)
- Ministry of Justice £1.5m (9.1%)
- Contract income £1.0m (6.0%)
- Supporting people income £0.5m (3.2 %)
- Voluntary income £0.2m (1.0%)
- Other charitable activities £0.3m (1.45%)

The income of £16.1m (Group £16.3m) reflects growth across a number of revenue streams.

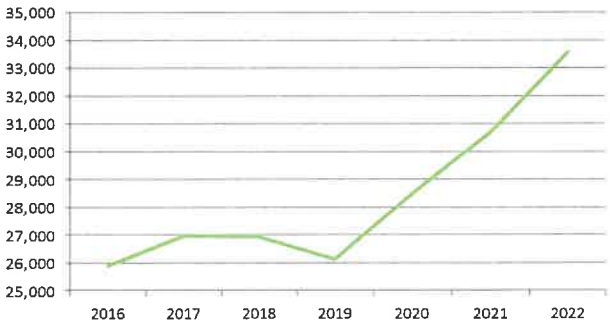
The Trust continues to review services on a project- by-project basis to ensure that delivery is in line with expectations and reflects the funding provided. Net rental income increased by £169k and care and spot funding income increased by £281k

To be certain of effective application of funds, the Trust evaluates its cost base by using various financial costing models. The impact of these cost models, monitoring of the cost base and continual reviews of systems and processes can be observed in the two graphs below:

Labour Cost per Unit per Year



Total Operating Cost per Unit per Year



After allowing for interest received, movement on investments and any disposal of fixed assets, the surplus on ordinary activities in the year was £60k (2020/21: surplus £977k).

The Group figures also include a full twelve months trading results for the Trust's subsidiary companies, Kainos Community and Clean Sheet.

Capital expenditure of £547k (2020/21: £76k) was spent on the Trust's housing properties, in improving the existing stock. In accordance with the accounting standards the components that were replaced have been removed from the value of the Group's fixed assets.

The Group spent £95k (2020/21: £201k) on other capital equipment.

The Group generated a cash inflow from operating activities of £298k (2020/21: £1,951k)

KEY PERFORMANCE INDICATORS (KPIs)

The Board used 20 KPIs to monitor the delivery of the Trust's strategic objectives. The range of KPIs included indicators of: utilisation, reconviction, client engagement (Services), client engagement (prisons), staff performance and financial performance. The KPI performance report is a standard item that is reviewed by the Board. It looks to bring added value through the delivery of services, which increase opportunities for education, volunteering and employment. The Trust internally monitors how many clients offend whilst resident with the Trust. For the year 2021/22 the reconviction rate for those in our housing was within the target figure of 3%. This indicates that the Trust's approach is continuing to bring successful outcomes.

VALUE FOR MONEY (VfM)

Our Approach to VfM

As a charity and recipient of funding from both local and national government bodies, the Trust recognises that it is accountable to its supporters, funders, clients and staff for the money it receives. The Group is committed to making sure it gets the best value for the money it spends and actively takes steps to identify and implement improvements, which will reduce costs, remove waste and add value for its stakeholders.

The strategy within the Group is to ensure a culture where VfM is integral to business delivery with clients, central to decisions made and outcomes achieved.

The Group has a robust framework for measuring, evidencing and improving VfM activity and fostering a culture of empowering continuous improvement. The Group's value chain approach of economy, efficiency and effectiveness demonstrates the culture for improving the efficiency of its processes and evidencing value for money to clients, regulators, funders and other stakeholders.

Steps Taken to Deliver VfM

The Group's VfM Awards were launched in 2016 and recognise innovation and cost savings within local teams. Staff and volunteers across the Group have been kept updated on VfM activities and initiatives through internal communications and clients have been kept updated through the National Consultative Group and their Client Representatives.

Organisational VfM targets have been rolled out to each department and performance against these targets is monitored by the Board as part of the Group's KPI reporting format.

VfM Champions from across the Group meet to share good practice, receive training and identify, evaluate and prioritise VfM opportunities for the Group.
The Group has continued to review and improve many of its core processes.

VfM Performance During the Year
The difficulty of the Regulator applying seven metrics across the housing sector in a generic "one size fits all" approach to a provider the size of Langley House Trust is that you can lose the true value and achievement of purpose.

The table above indicates a mixed outcome for the Trust with some metrics moving in a positive year on year direction whilst others have moved backwards. Nevertheless, the headline for Langley House Trust is that during the year 2021/2022 we were able to have an impact on the 653 clients that we engaged with (2020/2021 – 686 clients).

It is important to note that government guidance during COVID imposed restrictions on the movement of clients (and the public in general) within the 2020/21 client numbers above.

Furthermore, Langley House Trust maintained the reconviction rate of less than 3% for those in our housing.

We work with adult men and women (18+), who have offended or who are at risk of offending. We are skilled in working with those deemed 'hard to place' and those with complex needs. This includes individuals, who are subject to MAPPA (Multi-Agency Public Protection Arrangements).

The 3.7% growth in income (£0.6m), application of the Group's Value for Money approach, driving the operating margin and ROCE have resulted in the positive year on year direction of three of the six applicable RSH metrics.

Specific remarks on the RSH's metrics are:

1. **Re-investment -** is the acquisition and repairs and maintenance costs, plus expenditure on works to existing owned properties divided by the value of the properties owned by the organisation. The table in 4.1 shows that in 2021/22 the Group's investment in properties increased to 5.2% (up from 0.8% in 2020/21). As lockdown restrictions eased more work on existing properties was able to be undertaken during the year.

2. **New supply –** the Regulator expects providers to report on both the supply of social and non-social housing units. It will calculate new supply from the total number of housing units acquired in the reporting period divided by the total number of units held at the end of that period. The number of new or replacement units taken on within the year amounts to 13 units compared to 10 in 2021/22.

3. **Gearing –** this metric is designed to assess the provider's reliance on debt and appetite for growth. It divides the total owed in loans and finance leases by the cost or deemed cost and/or valuation of housing properties and would therefore not be applicable to the Group.

4. **Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) –** overall surplus (or deficit), plus other income received, less grants and capitalised repairs, plus total depreciation charge divided by the total capitalised interest in housing properties and interest payable and other financing

Year	2021/22	2020/21	2019/20	2018/19	2017/18	Direction of Travel
1. Reinvestment	5.2%	0.8%	2.3%	5.2%	6.4%	↑
2A. New Supply (Social Housing)	2.7%	2.1%	6.1%	5.8%	13.8%	↑
2B. New Supply (Non-Social Housing)	0.0%	0.0%	0.0%	0.0%	0.0%	
5. Headline Social Housing Cost per Unit	£10,578	£10,429	£9,689	£9,016	£9,183	↓
6A. Operating Margin (Social Housing)	(6.4%)	(7.1%)	(6.9%)	(7.9%)	(1.8%)	↑
6B. Operating Margin (Overall)	(0.2%)	5.0%	2.0%	2.8%	1.4%	↓
7. Return on Capital Employed (ROCE)	(0.3)	6.4%	6.2%	3.3%	1.6%	↓

costs. Designed to assess investment capacity by measuring surplus against a provider's interest payments, it would not currently apply to the Group.

5. **Headline social housing cost per unit** – an amalgamation of management, service charge, maintenance and repair costs, including capitalised major repairs and other related social housing expenditure such as neighbourhood and community costs divided by the total number of social housing units at the end of the reporting period. The increase to the cost base for social housing reflects the cost pressures in this area coupled with the additional costs arising from the continued decision from the Business Plan to raise the quality of our housing stock far above that of the decent homes standard.

6. **Operating margin** – designed to assess the profitability of operating assets before exceptional expenses are taken into account and to give the Regulator an indication of overall value for money performance. The Regulator has proposed two measures: operating margin for social housing lettings calculated by dividing the operating surplus (or deficit) for social housing lettings by the turnover from social housing lettings only and operating margin overall, calculated by dividing the overall surplus (or deficit) by overall turnover. The slightly improved operating margin for social housing reflects the ongoing focus in this area. The Group's overall operating margin decreased by 5.2% in 2021/22 to (0.2%).

7. **Return on Capital Employed (ROCE)** – a common measure used in commercial business, the Regulator suggests that this metric will demonstrate the level of efficient investment of resources. Calculated by dividing the overall

surplus (or deficit), the income from any joint venture partnerships and any gain or loss from the disposal of housing properties by the provider's total assets, less its liabilities. Expenditure increases arising from the ending of COVID-19 restrictions and returning to re-lockdown activity levels in addition to labour challenges leading to increased agency usage to cover sickness absence and vacancies produced a decrease in Return on Capital Employed from 6.4% to a deficit of 0.3%.

MATERIAL ESTIMATES, CONTROL AND JUDGMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The Principal Accounting Policies set out the Key Judgement Areas within Note 2.

The main judgement areas that have had the most significant effect on the Trust's accounts are:

a. Depreciation and amortisation provisions relating to fixed asset accounting, which are based on estimated useful economic lives of individual assets and apportionment of costs between components of composite assets

b. Provision for bad debts, which are based on specific balances and past experience of bad debts

The impact on the Trust's accounts of these estimates for the year ended 31st March 2022 is as follows:

Description	Expenditure	Income
Depreciation	£485k	
Grant amortisation		£83k
Bad debt expense	£250k	

POST BALANCE SHEET EVENTS

It has been agreed by the Trustees that the Trust will integrate one of its subsidiaries, Kainos Community, after the year-end.

It is intended that the merger contract will be completed by September 2022, and the trade and assets of Kainos Community will be acquired by Langley House Trust, and Kainos Community will cease trading.

Board's Responsibility Statement

The Board is responsible for preparing the Trustees' Strategic Report and the financial statements in accordance with applicable law and regulations.

The Companies Act 2006 and registered social housing legislation require the Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and the Trust and of the income and expenditure for that period.

In preparing these financial statements the Board is required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Housing SORP 2018 (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statement
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business

The Board is responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the Trust and enable it to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England.

The Board has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Group and the Trust and to prevent and detect fraud and other irregularities.

The Trustees, who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Trust's auditors are unaware, and each Trustee has taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The strategic report was approved by the Board on 13th July 2022 and signed on its behalf by:

Ruth Williams
Chair of the Board (from 11th June, 2022)
13th July 2022

Trustees' Report

The Trustees present their report and accounts for the year ended 31st March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Langley House Trust was first registered as a charity in September 1958.

The charity is a company limited by guarantee, incorporated on 20th December 2012 and registered as a charity with the Charity Commission on 8th March 2012. The company was also registered with the Regulator of Social Housing on 1st March 2012 as a non-profit social housing landlord and was registered with the Financial Conduct Authority (FRN716378) on 4th January 2016.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount of no more than £1.

The Trustees, who are also directors for the purpose of company law and who served during the year, are listed on page 3.

Langley House Trust has a group structure – the Kainos Community and Clean Sheet are both legal subsidiaries of the Trust. The governing body is the Board, whose members are non-executive and unpaid. The Board ensures it maintains full and effective control over the charity through close monitoring and oversight of the Group's business.

The Board is responsible for major strategic decisions and has ultimate responsibility for the conduct and financial stability of the Trust. It seeks to support the Executive in a culture of mutual confidence and trust. During the year, two new Trustees were appointed following an open selection process based on relevant skills and knowledge.

In addition to the Board members, the Trust has a number of honorary roles, namely Patrons, Ambassadors and Fellows, who represent the Trust externally in different capacities.

The Trust has an Audit, Risk & Compliance Committee, a People's Committee and a National Consultative Group. These Committees have clear terms of reference and report directly to the Board.

The Board delegates to the Chief Executive full control over the operation of the Trust within policy. The Chief Executive and other members of the Executive, titled Directors and National Chaplain, attend meetings of the Board. The term "Directors" should not be construed as Directors under the Companies Act. It is the duty of the Chief Executive to further the mission of the Trust and to ensure that management is efficient, effective and runs in accordance with good business practice.

The Board determines the remuneration and the conditions of employment of the staff. The Board monitors and reviews the quality, effectiveness and timeliness of information provided by the Executive. The Board has access to independent professional advice if necessary.

The Articles of Association allow the Trustees to deposit or invest its funds. The Board will secure expert advice, where necessary, before

investing funds. In deciding where and how to invest its funds the Board will always consider suitability of the investment and the overall diversification of the funds it has already invested. The Board has approved a Treasury Management Policy to assist with this area of responsibility.

The Board is content that the Trust complies with the NHF Code of Governance 2020, in the areas in which it applies to the Trust. Any potential conflicts of interest are declared at every meeting. None are declared as existing at the date of this report.

COMPLIANCE WITH THE GOVERNANCE AND VIABILITY STANDARD

The Board is content that the Trust broadly complies with the NHF Code of Governance 2020, in the areas in which it applies to the Trust. To fully apply the Code requirements on Board tenure would create unacceptable succession risks in the short to medium term. The Board commissioned an external Governance review which will assist the Board in decision making about how best to transition to the new requirements.

The Board confirms compliance with all legal and regulatory requirements for companies registered under the Companies Act 2006 and for charities registered under the Charities Act 2011.

OPERATIONAL INFRASTRUCTURE

The Trust has the majority of its Central Service staff based in Coventry. This includes specialist staff in Housing, Property, Referrals, Finance, Human Resources, IT and Development.

STAFF AND VOLUNTEERS

Our People are at the centre of what we do at Langley, and we would not be able to achieve our mission without them. Many staff and volunteers join the Group because they are committed to the mission and values of the organisation, and they go above and beyond to deliver great services and care for our clients.

As of 31st March 2022, Langley House Trust had 278 employees, including temporary staff, and excluding relief workers. Of these, 77% worked directly with clients. The Trust has increased its staffing by 12.9% over the past year. The Group places a lot of value on its people, and this is recognised in our Investors In People Gold Award.

The Group is reliant on the skill, knowledge, professionalism, and dedication of its employees. Our staff worked incredibly hard throughout the year to ensure that all our services carried on operating, and we continued to support our clients safely and in-line with Government guidelines.

The Group recognises the valuable role volunteers play in assisting in the delivery of a high-quality service to clients. Volunteers provide valuable support in a range of different contexts and work alongside our staff enabling us to undertake value-added activities with clients. During 2021/22 the Trust appreciated the support of 77 volunteers working across a range of roles.

GENDER PAY GAP REPORTING

The Group is committed to fair pay and in line with this, we published our Gender Pay Gap Report during the year. The mean gender pay was 5% representing higher mean hourly pay for males. The median gender pay gap of 8% represents higher median hourly pay for females. We have ongoing plans to monitor, publish and create action plans for the gender pay each year so this continues to support our values within the Group.

STATEMENT ON THE GROUP'S SYSTEM OF INTERNAL CONTROL

The Board has overall responsibility for establishing and maintaining the system

of internal control and reviewing its effectiveness. Trustees recognise that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives, however, the system of internal control implemented by the Trust has been designed to manage key risks and provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance to the Board regarding the preparation and reliability of financial and operational information and the safeguarding of the Trust's assets and interests.

In meeting their responsibilities, the Trustees have adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Trust is exposed. The process adopted by the Trustees in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

1. **Identification and evaluation of key risks –** Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and on-going process of management review in each area of the Trust's activities. The Executive Team regularly considers significant risks facing the Trust and the Chief Executive is responsible for reporting to the Trustees any significant changes affecting key risks. In accordance with the Group's Risk Management Policy, the Summary Risk Map is formally reviewed by the full Board at least once a year and the highest risks facing the Trust are discussed at each Audit, Risk & Compliance Committee meeting.

2. **Environment and control procedures –** The Trustees retain responsibility for a defined range of issues covering strategic, operational, financial and compliance issues. The Trust's Articles of Association, policies and procedures cover issues such as delegated authority, segregation of duties, accounting, health and safety, data protection, fraud and whistleblowing. The Trust also has an extensive range of policies and procedures relating to the safe management of the client group with which it works to minimise the risk to clients, staff and the wider public.

   The Trust also holds an Asset and Liability Register in line with regulatory requirements, which provides a collated view of the Trust's assets and contract liabilities. The integrity of the register is audited and reported to the Executive Team on a quarterly basis.

3. **Information and financial reporting systems –** The Trustees review and approve the annual budget and the 5 year financial plan for the Trust. Financial reporting procedures include detailed management accounts and forecasts, which are reviewed by the Executive Team and are presented to the full Board of Trustees monthly. The Board also reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes at each Board meeting.

4. **Monitoring and corrective action –** A process of regular management reporting on control issues provides assurance to senior management and to Trustees. This includes ensuring that corrective action is taken in relation to any significant control issues, particularly

those that may have a material impact on the financial statements and delivery of our services.

The internal control framework and the risk management process are subject to regular review by Internal Auditors, who advise the Executive Team and report to the Audit, Risk & Compliance Committee. A three year Internal Audit plan exists to assist in this process and is approved annually by the Audit, Risk & Compliance Committee. Progress against the plan is also monitored throughout the year and the Audit, Risk & Compliance Committee formally reviews the performance of the Internal and External Auditors once a year. The Audit, Risk & Compliance Committee considers internal control and risk at each of its meetings during the year. In addition to Internal Audit, the Executive receive assurance on the operation of internal controls through a self-assessment audit toolkit used by the managers of its various Projects.

The Audit, Risk & Compliance Committee conducts an annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of risk management and control process. The Audit, Risk & Compliance Committee reports on progress to each Board meeting and makes an annual report to the Board of Trustees. In preparing its report, the Audit, Risk & Compliance Committee takes into account the various reports of the Internal and External Auditors, the Chief Executive's Annual Report on Internal Control, other reports from the Executive to the Audit, Risk & Compliance Committee and full Trustee Board and inspection reports from the Care Quality Commission, the Regulator of Social Housing and other regulatory bodies.

5. **The Prevention, Detection, Reporting and Recovery of Financial Crime and Fraud –** The Trust takes fraud and other financial crime seriously. The Trust's Fraud and Prevention of Financial Crime Polices set out management responsibilities to ensure an adequate control system is in place to minimise the risk of fraud and other financial crimes such as money laundering and to ensure a reasonable likelihood of early detection. These policies also state the procedure to be followed in the event of suspected fraud, money laundering or other financial crime, including reporting requirements and any subsequent action to be taken for recovery.

   The Trust maintains a register of actual and attempted frauds and thefts. The contents of the register are reported annually to the Audit, Risk & Compliance Committee. During 2021-2022 there were no significant losses identified as a result of fraud.

   The Trustees confirm that there is an on-going process for identifying and managing significant risks of fraud and other financial crime faced by the Trust. This process has been in place throughout the year under review, up to the date of the annual report and accounts, and is regularly reviewed by the Audit, Risk & Compliance Committee.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's main sources of income come from various forms of government funding and grants. This means that the Group is therefore at risk from changes in policy in regards to funding and the strategic priorities given to the rehabilitation of offenders both at a national and local level by the government.

Over the last few years there have been

PARTNERSHIPS

The Trust is well regarded by its partner agencies. It is commissioned by a range of public bodies, including the Ministry of Justice and Local Authorities. The Trust has also entered into a number of formal sub-contracting arrangements, which has enabled it to deliver targeted services in new and existing areas. The Trust holds regular meetings with all of its stakeholders to discuss progress, service delivery and to ensure targets are met.

We appreciate the confidence shown to us by those organisations, who have provided grant funding to ensure the Trust can flourish, evolve and develop new services. Some of these organisations have provided funding over several years.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Reducing reoffending benefits the whole population. The Trust's work is financed through funding from local and central government and other public authorities, and through legacies, donations and grants. Residents contribute to their accommodation costs, but are entitled to claim Housing Benefit and other benefits to allow them to finance their stay; therefore those in poverty are not excluded from the opportunity to benefit from the Trust's services.

The Trustees' report was approved by the Board on 13th July 2022 and signed on its behalf by:

Ruth Williams
Chair of the Board (from 11th June, 2022)
13th July 2022

reductions in government funding due to the austerity measures implemented by the government. The Group has sought to ensure all of its services are of a high quality and relevant to commissioners. Over the last few years, the Group has worked hard to diversify its income stream to mitigate the loss of any one funding stream.A number of the risks on the Group's risk map relate to the continued uncertainty around various funding streams.

The Group's risk map details the main business risks and identifies how the risks have been mitigated. The risk map identifies the significant risks, which the Board considers could have a material impact on the Group's business.

The risk map is regularly updated in the light of changing internal and external circumstances and it informs the business planning and decision-making process at a high level. This map is reviewed by the Executive Team and the Audit, Risk & Compliance Committee at each meeting.

RESERVES

The Trust's Reserves Policy has identified that a contingency equivalent to twelve weeks' operating expenditure (equating to £4.4m) needs to be maintained in order to cover identifiable and quantified risk and to allow the Trust sufficient time to be able to restructure its operations minimising the disruption to clients. The reserves at the end of March 2022 of £9.2m exceed this requirement and the Trust is compliant with this policy.

Analysis of the Group's reserves is shown in the Statement of Changes in Reserves.

EQUALITY, DIVERSITY AND INCLUSION

The Group's approach to Equality, Diversity and Inclusion is set out in its Group Equality, Diversity and Inclusion Policy and included within Langley House Trust's activities.

The Group understands the vital role that Equality, Diversity and Inclusion plays in creating an environment in which our staff, volunteers and clients are able to reach their full potential. We appreciate and celebrate difference and individuality, respecting everyone as being made in God's image and having an intrinsic value, a view strongly upheld by our Trustees and senior management team.

There is no place for racism or any other form of discrimination within the Group. It is not just illegal but goes against all that we stand for as outlined in our values. Langley House Trust Group staff are asked to challenge any racist or discriminatory behaviour that they witness, experience, or hear about and then report it. The CEO's commitment is to ensure all allegations are investigated and appropriate action taken.

HEALTH AND SAFETY

The Board and Langley House Trust's employees maintain a high level of attention to and awareness of Health and Safety across the organisation. The Board, through the Audit, Risk & Compliance Committee, receives regular reports in relation to Health and Safety and over the last few years has ensured it remains an area for Internal Auditors to validate.

Regular internal Health and Safety audits have taken place during the reporting period alongside unannounced audits from an external health and safety professional. The findings lead to the creation and implementation of an action plan.

QUALITY AND QUALITY MANAGEMENT

The Corporate Director for Quality and Compliance is the lead officer for the Quality Strategy and regularly reports on performance to the Audit, Risk & Compliance Committee and to the Board.

135

BAME registered clients in 15 residential settings

268

No. of clients with self-disclosed disability

508

bed spaces available

&

1459

accommodation referrals received

1174

clients received our services in the last year

31

clients departed for re-offending reasons

79%

satisfaction reported by clients for staffing, key-working and the impact of this

85%

of clients surveyed would recommend the Trust's services to others

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2022

Opinion

We have audited the financial statements of Langley House Trust ('the Trust') and its subsidiaries ('the group') for the year ended 31 March 2022 which comprise the group and parent statement of comprehensive income, the group and parent statement of financial position, the group and parent statement of changes in reserves, the group cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 the Trust's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing.

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 financial statements section of our report. We are independent of the group 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 trustee's 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 Trust's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements or our knowledge obtained in 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 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.

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2022

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the Trust and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 22, the trustees (who are also the directors of the Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2022

We obtained an understanding of the legal and regulatory frameworks within which the Trust and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing, together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Trust's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Trust and the group for fraud. The laws and regulations we considered in this context for the UK operations were the Regulator of Social Housing regulations, CQC Regulations for service providers and managers, employment legislation and taxation legislation

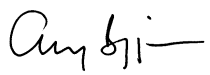
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit, Risk & Compliance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over the timing of income, reviewing accounting estimates for biases, reviewing internal audit reports, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor
Fourth Floor
St James House
St James' Square
Cheltenham
GL50 3PR

Date: 17 October 2022

Langley House Trust
Statement of Comprehensive Income
For the Year Ended 31 March 2022

	Notes	Group 2022 £000	LHT 2022 £000	*Group 2021 £000*	*LHT 2021 £000*
Turnover	3	16,320	16,084	*15,754*	*15,512*
Cost of sales		-	-	-	-
Gross profit		**16,320**	**16,084**	*15,754*	*15,512*
Operating expenditure	3	(16,298)	(16,119)	*(14,884)*	*(14,734)*
Other income		-	-	-	-
Gain on disposal of property, plant and equipment	7	-	-	*6*	*6*
Operating surplus	3	22	(35)	*876*	*784*
Movement in fair value of investments	15	66	66	*159*	*159*
Interest receivable and other income	8	29	29	*34*	*34*
Surplus before tax		117	60	*1,069*	*977*
Taxation		-	-	-	-
Surplus for the year after tax		117	60	*1,069*	*977*
Total comprehensive income for the year		**117**	**60**	*1,069*	*977*

The financial statements were approved and authorised for issue by the Board on 13 July 2022 and were signed on its behalf by:

Ruth Williams	Andrew Newell	Simon Herbert
Chair of the Board	**Board Member**	**Secretary**

The notes on pages 37 to 55 form an integral part of these accounts

Langley House Trust
Statement of Financial Position
For the Year Ended 31 March 2022

	Note	Group 2022 £000	LHT 2022 £000	*Group 2021 £000*	*LHT 2021 £000*
FIXED ASSETS					
Housing properties	13	6,361	6,361	*6,147*	*6,147*
Other fixed assets	14	306	306	*367*	*367*
Investments	15	1,003	1,003	*937*	*937*
Total fixed assets		**7,670**	**7,670**	*7,451*	*7,451*
CURRENT ASSETS					
Debtors	16	1,726	1,725	*1,496*	*1,486*
Cash in hand and at bank		5,721	5,310	*6,036*	*5,663*
Total current assets		**7,447**	**7,035**	*7,532*	*7,149*
Less Creditors: amounts falling due within one year	17	(2,722)	(2,690)	*(2,586)*	*(2,526)*
Net current assets		**4,725**	**4,345**	*4,946*	*4,623*
Total assets less current liabilities		**12,395**	**12,015**	*12,397*	*12,074*
Creditors: amounts falling due after more than one year	18	2,842	2,842	*2,925*	*2,925*
Provisions for liabilities and charges					
Other Provisions	19	-	-	*36*	*36*
Total net assets		**9,553**	**9,173**	*9,436*	*9,113*
Reserves					
Restricted reserves		5	5	*15*	*15*
Revenue reserves		9,548	9,168	*9,421*	*9,098*
Total capital & reserves		**9,553**	**9,173**	*9,436*	*9,113*

The financial statements were approved and authorised for issue by the Board on and were signed on its behalf by:

Ruth Williams
Chair of the Board

Andrew Newell
Board Member

Simon Herbert
Secretary

Registered Company number: 7888191

The notes on pages 37 to 55 form an integral part of these accounts.

Langley House Trust
Statement of Changes in Reserves
For the Year Ended 31 March 2022

GROUP

	Income and expenditure reserve £000	Restricted reserves £000	Total £000
Balance as at 31 March 2020	8,285	82	8,367
Surplus for the year	1,069	-	1,069
Transfers from restricted reserves	67	(67)	-
Balance as at 31 March 2021	**9,421**	**15**	**9,436**
Surplus for the year	117	-	117
Transfers from restricted reserves	10	(10)	-
Balance as at 31 March 2022	**9,548**	**5**	**9,553**

LHT

	Income and expenditure reserve £000	Restricted reserves £000	Total £000
Balance as at 31 March 2020	**8,054**	**82**	**8,136**
Surplus for the year	977	-	977
Transfers from restricted reserves	67	(67)	-
Balance as at 31 March 2021	**9,098**	**15**	**9,113**
Surplus for the year	60	-	60
Transfers from restricted reserves	10	(10)	-
Balance as at 31 March 2022	**9,168**	**5**	**9,173**

The notes on pages 37 to 55 form an integral part of these accounts.

Langley House Trust
Cash Flow Statement
For the Year Ended 31 March 2022

GROUP	Note	2022 £000	*2021 £000*
Net cash from operating activities	i	298	*1,951*
Cash flow from investing activities			
Purchase of housing properties		(547)	*(76)*
Purchase of other fixed assets		(95)	*(201)*
Proceeds of sale of other fixed assets		-	*6*
Proceeds of sale of investments		-	*150*
		(344)	***(121)***
Cash flow from financing activities			
Interest received		29	*34*
Net change in cash equivalent		**(315)**	***1,864***
Cash and cash equivalents at beginning of the year		**6,036**	***4,172***
Cash and cash equivalents at the end of the year		**5,721**	***6,036***

Note i - reconciliation of net cash flow from operating activities	**2022 £000**	*2021 £000*
Surplus for the year	**117**	***1,069***
Depreciation of tangible fixed assets	486	*491*
Amortisation of Grants	(83)	*(83)*
Loss/(Profit) on disposal of asset	3	*(6)*
Other non cash changes	(66)	*(159)*
Interest received	(29)	*(34)*
(Decrease)/Increase in provisions	(36)	*(64)*
(Increase)/Decrease in debtors	(230)	*64*
Increase in creditors	136	*673*
Net cash inflow from operating activities	**298**	***1,951***

The notes on pages 37 to 55 form an integral part of these financial statements.

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2022

1. LEGAL STATUS

Langley House Trust is registered in England and Wales as a Company Limited by Guarantee (No. 7888191), as a charity with the Charity Commission (No. 1146304) and as a Social Housing Provider with the Regulator of Social Housing (No 4693) as defined by the Housing and Regeneration Act 2008. The registered office is 3 & 4 The Square, Mansfield Avenue, Walsgrave, Coventry, CV2 2QJ.

2. PRINCIPAL ACCOUNTING POLICIES

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

Basis of accounting

The financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing. The accounts are prepared on the historical cost basis of accounting as modified by current asset investments held at valuation and are presented in sterling £.

The Group's financial statements have been prepared in compliance with FRS 102.

As a public benefit entity, Langley House Trust has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS102:

- No cash flow statement has been presented for the parent company,
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole, and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Basis of consolidation

The consolidated financial statements of Langley House Trust incorporates the financial statements of Kainos Community and Clean Sheet under the acquisition accounting basis – see note 23 for more details. On the 1st August 2013 the incorporated Langley House Trust became the sole corporate trustee of Langley House Trust (charity number 290059) which transferred its activities to the incorporated Langley House Trust.

Going concern

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Turnover

Turnover comprises rental income, service charge income, income from contracts with statutory bodies, including Supporting People Block contracts and care fee income, Ministry of Justice contract, other revenue grants and income from the sale of other goods and services. Such income is recorded in the accounts as it becomes receivable.

The turnover of the Trust also includes legacies, donations, gifts and other income, the accounting treatment of which is included in separate accounting policies.

Supporting People income and expenditure

The Trust operates a number of Supporting People Block contracts. The income from these contracts is recognised in the Statement of Comprehensive Income in the year in which it is receivable and expenditure charged to it in accordance with the matching concept.

Legacies

Legacies are credited as income where the legacy has been received or if, before receipt, where there was sufficient evidence to provide the necessary certainty that the legacy would be received and its value known with sufficient reliability.

Donations, gifts and other income

Donations, gifts and other income are credited as income in the year in which they were receivable..

Operating leases

Amounts due under operating leases are charged to the income and expenditure account as incurred.

Pensions

Contributions made by the Trust into pension schemes on behalf of employees are recognised within operating costs in the income and expenditure account for the period to which it relates.

Employee Benefits

A liability is recognised to the extent of any employee benefits including unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted cost to the employees of the future holiday entitlement and accrued at the statement of financial position date.

Taxation

Parts of the group charge value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. Income is shown in the accounts net of any VAT charged. Expenditure is shown in the accounts inclusive of VAT less the value of any VAT recoverable from HM Revenue and Customs. The balance of any VAT payable or recoverable is included as a current liability or asset in the Statement of Financial Position.

Fixed assets

Valuation of housing properties

The Trust operates many of its services from properties it either owns or leases in which living accommodation is provided for clients. Housing properties are included in the accounts at cost less depreciation, unless impairment has occurred or the properties have been transferred from another Registered Provider or charity.

A housing property comprises of several components with substantially different useful economic lives. Each major component is accounted for separately and depreciated over its individual useful economic life as set out in the Fixed Assets section above. Land is treated as a separate asset and not depreciated.

The cost of acquiring land and buildings, including professional fees, and development costs are included in the costs.

Depreciation and impairment of fixed assets, including housing properties

Freehold land is not depreciated. Depreciation on all other assets is calculated to write off the cost of fixed assets on a straight line basis over their estimated useful economic lives.

Fixed assets are depreciated on a straight line basis by equal instalments over their useful economic lives at the following annual rates:

Freehold properties (excluding land):

	Useful economic life	Depreciation rate
Pitched roofs	50 years	2%
Flat roofs	20 years	5%
Windows and external doors	25 years	4%
Heating	20 years	5%
Electrical	25 years	4%
Bathrooms	25 years	4%
Kitchens	20 years	5%
Lifts	10 years	10%
Structure	50 years	2%
Plant and equipment	5 years	20%
Computers	4 years	25%
Motor vehicles	4 years	25%

Leasehold properties are depreciated by equal instalments over the life of the lease or their estimated useful economic life if shorter.

The carrying values of tangible assets are reviewed for impairment where events or changes in circumstances indicate that the carrying values may not be recoverable.

Works to existing housing properties

Expenditure which results in an enhancement of the economic benefits of a property, the creation of a new property component or the replacement of a component that has been treated separately for depreciation purposes is capitalised. In all other instances expenditure on existing properties is charged

to the income and expenditure account. This includes expenditure incurred to ensure that the property can maintain its expected level of net rental income or the standard of performance anticipated when the asset was first acquired or constructed or last replaced.

An enhancement of the economic benefits means an increase in the rental stream, a reduction in future maintenance costs or a significant extension of the life of the property.

Social Housing and Government Grants (SHG)

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Non-monetary government grants

On disposal assets for which non-monetary government grants are held as liabilities in the Statement of Financial Position, the unamortised amount in creditors is derecognised and recognised as income in the Statement of Comprehensive Income.

Investments

Investments are stated at market value.

The Investments held have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are re-measured to market value at each statement of financial position date. Gains and losses on re-measurement are recognised in the Statement of Comprehensive Income for the period.

Provisions

The use of provisions is restricted to situations where a liability exists, for example arising under a contract, but where there is some uncertainty as to the timing of the amount of the expenditure or the identity of the creditor.

Restricted reserves

Grants and donations received which have restrictions as to their use are included in restricted reserves. The value of the reserve shown in the balance sheet is shown net of any transfers to the general revenue reserve in respect of expenditure to be financed by the restricted reserve.

Revenue reserves

Due to the ever changing nature of policy, funding streams and risk, Trustees are of the view that not every risk and impact can be envisaged.

The Trust's reserves policy has identified that a contingency equivalent to twelve weeks' operating expenditure needs to be maintained in order to cover identifiable and quantified risk and to allow the Trust sufficient time to be able to restructure its operations minimising the disruption to clients.

Financial instruments held by the Group are classified as follows:

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for at amortised historic cost.

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses reported in surplus or deficit. The Group has no non-basic financial instruments at the year end.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

a) **Categorisation of housing properties:**
The Trust has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Trust has considered if the asset is held for social benefit or to earn commercial rentals.

b) **Impairment:**
The Trust has identified a cash generating unit for impairment assessment purposes at a property scheme level. Consideration has been given and no impairment has arisen as a result of the continued impact of COVID 19.

Other key sources of estimation and assumptions:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Recoverability of rent arrears

The Trust make an estimate of the recoverable value of rent arrears based on factors including the ageing profile of the rental debtors in addition to historical experience of difficulties in recovering rent arrears for clients that have moved on from our services.

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS / (DEFICIT)

GROUP	Turnover	Operating costs	2022 Gain/(loss) on disposal of property, plant and equipment	Operating Surplus/ (deficit)
	£000	£000	£000	£000
Social Housing Lettings(Note 5)	5,072	5,395	-	(323)
Other social housing activities				
Supporting People	519	517	-	2
Activities other than social Housing				
Care and spot funding	7,482	7,365	-	117
Ministry of Justice	1,585	1,467	-	118
Other government contracts	1,083	966	-	117
Voluntary Income	135	152	-	(17)
Prison Services	188	135	-	53
Other	219	277	-	(58)
Income for generating funds	37	24	-	13
Gain on disposal of property, plant and equipment	-	-	-	-
	16,320	**16,298**	**-**	**22**

LHT	Turnover	Operating costs	2022 Gain/(loss) on disposal of property, plant and equipment	Operating Surplus/ (deficit)
	£000	£000	£000	£000
Social Housing Lettings(Note 5)	5,072	5,395	-	(323)
Other social housing activities				
Supporting People	519	517	-	2
Activities other than social Housing				
Care and spot funding	7,482	7,365	-	117
Ministry of Justice	1,585	1,467	-	118
Other government contracts	1,083	966	-	117
Voluntary Income	111	152	-	(41)
Other	195	233	-	(38)
Income for generating funds	37	24	-	13
Gain on disposal of property, plant and equipment	-	-	-	-
	16,084	**16,119**	**-**	**(35)**

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS / (DEFICIT)

GROUP	Turnover	Operating costs	2021 Gain/(loss) on disposal of property, plant and equipment	Operating Surplus/ (deficit)
	£000	£000	£000	£000
Social Housing Lettings(Note 5)	4,791	5,131	-	(340)
Other social housing activities				
Supporting People	512	505	-	7
Activities other than social Housing				
Care and spot funding	7,313	6,735	-	578
Ministry of Justice	1,426	1,156	-	270
Other government contracts	865	785	-	80
Voluntary Income	372	128	-	244
Prison Services	155	101	-	54
Other	282	324	-	(42)
Income for generating funds	38	19	-	19
Gain/(loss) on disposal of property, plant and equipment	-	-	6	6
	15,754	14,884	6	876

LHT	Turnover	Operating costs	2021 Gain/(loss) on disposal of property, plant and equipment	Operating Surplus/ (deficit)
	£000	£000	£000	£000
Social Housing Lettings(Note 5)	4,791	5,131	-	(340)
Other social housing activities				
Supporting People	512	505	-	7
Activities other than social Housing				
Care and spot funding	7,313	6,736	-	577
Ministry of Justice	1,426	1,157	-	269
Other government contracts	865	786	-	79
Voluntary Income	316	128	-	188
Other	251	272	-	(21)
Income for generating funds	38	19	-	19
Gain/(loss) on disposal of property, plant and equipment	-	-	6	6
	15,512	14,734	6	784

4. UNITS/BED SPACES - GROUP

	Social Housing Lettings		Other Social Housing		Total
	Supported Housing	Care Homes	Registered Care Beds	General Needs	
Social Housing					
At 31 March 2022	390	-	90	-	480
At 31 March 2021	**390**	**-**	**90**	**-**	**480**

	2022	2021
Non-social Housing		
Under management at start of year	**3**	3
Under management at end of year	**3**	3

The Trust also owns 43 units (2021: 43 units) of accommodation managed by a third party. As the rights and obligations of the scheme have been transferred to the managing organisation, these units are not included in these accounts.

5. TURNOVER AND OPERATING EXPENDITURE

GROUP AND LHT	Supported housing 2022 £000	Care Homes 2022 £000	TOTAL 2022 £000	*TOTAL 2021 £000*
INCOME				
Rents receivable	2,544	34	**2,578**	2,464
Service income	2,377	35	**2,412**	2,245
Amortised government grants	65	17	**82**	82
Turnover from Social Housing Lettings	4,986	86	**5,072**	**4,791**
EXPENDITURE				
Management	2,331	41	**2,372**	2,266
Services	2,169	26	**2,195**	1,996
Routine maintenance	393	11	**404**	332
Planned maintenance	42	1	**43**	133
Bad debts	186	-	**186**	203
Depreciation of Housing Properties	187	8	**195**	201
Operating costs on Social Housing Lettings	**5,308**	**87**	**5,395**	**5,131**
OPERATING (DEFICIT) /SURPLUS ON SOCIAL HOUSING LETTINGS ACTIVITIES	(322)	(1)	**(323)**	**(340)**
Void losses	(1,115)	(25)	**(1,140)**	**(758)**

6. OPERATING SURPLUS

Is stated after charging/(crediting):	Group 2022 £000	LHT 2022 £000	*Group 2021 £000*	*LHT 2021 £000*
Depreciation of housing properties	330	330	338	338
Depreciation of other tangible fixed assets	156	156	153	153
Operating lease rentals:				
Land and buildings	477	477	519	519
Office equipment	4	4	5	5
Auditors remuneration (excluding VAT)				
In their capacity as external auditors	19	15	18	14
Other fees	12	12	1	1
Surplus on sale of other fixed assets	-	-	(6)	(6)

7. SURPLUS ON DISPOSAL OF FIXED ASSETS

	Group 2022 £000	LHT 2022 £000	*Group 2021 £000*	*LHT 2021 £000*
Proceeds of sales	5	5	6	6
Carrying value of fixed assets disposed of during the year	-	-	-	-
SURPLUS ON DISPOSAL	**5**	**5**	**6**	**6**

8. INTEREST RECEIVABLE AND OTHER INCOME

	Group 2022 £000	LHT 2022 £000	*Group 2021 £000*	*LHT 2021 £000*
Dividends received on investments	27	27	29	29
Bank interest	2	2	5	5
TOTAL	**29**	**29**	**34**	**34**

9. EMPLOYEE INFORMATION

	Group 2022	LHT 2022	Group 2021	LHT 2021
The average number of staff employed during the year, expressed as full time equivalents, (i.e. 35 hours per week) was:	292	281	260	249

Staff costs	Group 2022 £000	LHT 2022 £000	Group 2021 *£000*	LHT 2021 *£000*
Wages and salaries	7,041	6,767	6,300	6,035
Social security costs	644	624	577	557
Other pension costs	312	300	275	265
Other Employee benefits	83	83	76	76
TOTAL	8,080	7,774	7,228	6,933

During the year ended 31 March 2022, the Trust made severance and redundancy payments of £12k (2021: £nil).

The number of staff whose emoluments plus taxable benefits amounted to over £60,000 during the year was as follows:

	Group 2022	LHT 2022	Group 2021	LHT 2021
£60,000 - £70,000	3	3	1	1
£70,000 - £80,000	1	1	1	1
£80,000 - £90,000	1	1	1	1
£100,000 - £110,000	-	-	1	1
£110,000 - £120,000	1	1	1	1

10 PENSION OBLIGATIONS

The Trust contributes to a group personal (defined contribution) pension scheme for those qualifying employees who have chosen to join the scheme.

The Trust has no legal or constructive obligation to pay further contributions if the pension provider does not have sufficient assets to pay all benefits relating to employees' service in current and prior periods. Individual members ,benefits are determined by reference to contributions paid into the scheme in respect of that member.

The cost of the pension scheme is equal to the contributions payable to the scheme for the accounting period. The cost is recognised within operating costs in income and expenditure account for the period to which it relates.

11 DIRECTORS' EMOLUMENTS

No emoluments were paid to Company Directors in 2022 or 2021 by the Trust. They do receive reimbursement of necessary expenses incurred on behalf of the Trust. In 2022 reimbursement of Directors' expenses totalled £0.4k (2021: £3k).

	Group 2022 £000	**LHT 2022 £000**	*Group 2021 £000*	*LHT 2021 £000*
The aggregate emoluments paid to or receivable by non-executive Directors and former non- executive directors	-	-	-	-
The aggregate emoluments paid to senior officers, including salary, employer's pension contributions and benefits-in-kind	**387**	**387**	**335**	**335**
The emoluments paid to highest paid officer (Chief Executive), including benefits-in-kind but excluding employer's pension contributions	**112**	**112**	**106**	**106**

The Chief Executive was the highest paid officer and is an ordinary member of the pension scheme. The pension scheme is a group personal (defined contribution) pension scheme funded by the employer, with voluntary contributions payable by the employee. No enhanced or special terms apply to the Chief Executive and there are no additional pension arrangements.

Directors (key management personnel) are defined as members of the Board, the Chief Executive and any other person who is a member of the Senior Management Team or its equivalent.

12 TAXATION STATUS

HM Revenue & Customs accepts that Langley House Trust is a charity for tax purposes. The Trust's taxable turnover falls below that required for VAT registration. The Trust has not elected to be taxed.

13 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

GROUP AND LHT

	Completed £000	Under Construction £000	Total £000
COST/VALUATION			
At 1 April 2021	*10,029*	*70*	*10,099*
Additions	547	-	547
Transfers	70	(70)	-
Disposals	(36)	-	(36)
At 31 March 2022	**10,610**	**-**	**10,610**
DEPRECIATION			
At 1 April 2021	*3,952*	-	*3,952*
Charge for year	330	-	330
Eliminated on Disposals	(33)	-	(33)
At 31 March 2022	**4,249**	**-**	4,249
NET BOOK VALUE at 31 MARCH 2022	**6,361**	**-**	**6,361**
NET BOOK VALUE at 1 April 2021	*6,077*	*70*	*6,147*

Housing properties comprise:

	2022 £000	*2021 £000*
Freeholds	5,968	5,627
Long Leaseholds	16	17
Short Leaseholds	377	433
Assets under construction	-	70
	6,361	**6,147**

14 TANGIBLE FIXED ASSETS – OTHER

GROUP AND LHT

	Plant & equip £000	Motor vehicles £000	Total £000
COST/VALUATION			
At 1 April	*808*	*329*	*1,137*
Additions	95	-	95
Disposals	(140)	(51)	(191)
At 31 March	**763**	**278**	**1,041**
DEPRECIATION			
At 1 April	*570*	*200*	*770*
Charge for year	99	57	156
Disposals	(140)	(51)	(191)
At 31 March	**529**	**206**	**735**
NET BOOK VALUE at 31 March 2022	**234**	**72**	**306**
NET BOOK VALUE at 1 April 2021	*238*	*129*	*367*

15 FIXED ASSET INVESTMENT

LHT & Group	**2022 £**	*2021 £*
Market value of investments at start of year	937	928
Market value of investment sold during the year	-	(150)
Market value of investments at end of year	**1,003**	**937**
Gain in value during the year	**66**	**159**
Gain recognised in the Statement of Comprehensive Income	66	159
	66	159
Historic Cost of Investments	599	599

All investments are either unit trusts or fixed term investments with UK banks.

16 DEBTORS

	Group 2022 £000	LHT 2022 £000	*Group 2021 £000*	*LHT 2021 £000*
Amounts falling due within one year:				
Rent arrears	898	898	940	940
Less: provision for bad debts	(709)	(709)	(761)	(761)
Non rental arrears	1,175	1,175	1,081	1,071
Less: provision for bad debts	(177)	(177)	(123)	(123)
Prepayments and accrued income	539	538	359	359
Intercompany balance	-	-	-	-
	1,726	**1,725**	**1,496**	**1,486**

17 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £000	LHT 2022 £000	*Group 2021 £000*	*LHT 2021 £000*
Rent credit balances	278	278	*235*	*235*
Non rental credit balances	547	547	*410*	*410*
Trade creditors	232	232	*207*	*207*
Taxation, social security and pension payable	238	223	*221*	*204*
Accruals and deferred income	1,343	1,326	*1,416*	*1,373*
SP contract income received in advance	1	1	*14*	*14*
Deferred capital grant (note 18b)	83	83	*83*	*83*
	2,722	**2,690**	***2,586***	***2,526***

18 (a) CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2022 £000	LHT 2022 £000	*Group 2021 £000*	*LHT 2021 £000*
Deferred capital grant (note 18b)	2,842	2,842	2,925	2,925
	2,842	**2,842**	**2,925**	**2,925**

18 (b) CREDITOR: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2022 £000	LHT 2022 £000	*Group 2021 £000*	*LHT 2021 £000*
At the start of the year	3,008	3,008	3,091	3,091
Grant received during the year	-	-	-	-
Released to income in the year	(83)	(83)	(83)	(83)
At the end of the year	**2,925**	**2,925**	**3,008**	**3,008**
Amount due to be released <1 year	83	83	83	83
Amount due to be released >1 year	2,842	2,842	2,925	2,925
	2,925	**2,925**	**3,008**	**3,008**
Total grant received	**4,721**	**4,721**	**4,721**	**4,721**

19 PROVISIONS FOR LIABILITIES AND CHARGES

GROUP AND LHT	2022 £000	*2021 £000*
Opening balance as at 1 April	**36**	**100**
Utilised in the year	(36)	(64)
Additional provision	-	-
Closing balance as at 31 March	**-**	**36**

20 CAPITAL COMMITMENTS

	Group 2022 £000	LHT 2022 £000	*Group 2021 £000*	*LHT 2021 £000*
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	149	149	170	170

The commitments as at 31 March will be financed as follows:

	Group 2022 £000	LHT 2022 £000	*Group 2021 £000*	*LHT 2021 £000*
Revenue reserves of the Trust	149	149	170	170
	149	**149**	**170**	**170**

21 OPERATING LEASES

The Trust holds properties and office equipment under non-cancellable operating leases. At the end of the year the Trust had commitments of future minimum lease payments as follows:

	Group 2022 £000	LHT 2022 £000	*Group 2021 £000*	*LHT 2021 £000*
Land and buildings:				
In one year or more but less than two years	276	276	419	419
In two years or more and less than five years	372	372	501	501
In five years or more	131	131	221	221
Others, which expire:				
In one year or more but less than two years	4	4	4	4
In two years or more and less than five years	9	9	9	9
In five years or more	-	-	-	-

22 RELATED PARTIES

Langley House Trust is the Parent entity in the Group and ultimate controlling party. The Group has taken advantage of the exemption under section 33 FRS 102 not to disclose transactions with wholly owned subsidiary undertakings.

During the year the Trust had the following intra-group transactions with its subsidiaries:

	2022	*2021*
	£000	*£000*
Management charges from subsidiaries	16	16
Funding grant provided to subsidiaries	179	170

Management Charges

Intra-group management fees are receivable by the Trust from the subsidiaries to cover the running costs the Trust incurs on behalf of managing the subsidiaries and providing services. The management fee is calculated based on an allocated time by staff members providing the following services:

- Housing Management (including arrears & repairs management)
- IT services
- Finance services including purchase ledger and management accounting
- Executive services

Funding grant

During the year the Trust provided funding to one of the subsidiaries.

23 SUBSIDIARY UNDERTAKINGS

The company has three subsidiaries, each of which has the same registered office address as Langley House Trust:

1. Langley House Trust is a registered charity (charity number 290059) which transferred assets, liabilities and business to the incorporated Langley House Trust (charity number 1146304) on 1 August 2013. It has been dormant since, and has £10 in its reserves.

2. On 1 October 2013 Langley House Trust acquired, for no consideration, Kainos Community. Kainos Community is a charity which works within prisons delivering services to help rehabilitation.

3. On 1 October 2019 Langley House Trust acquired, for no consideration, Clean Sheet. Clean Sheet is a charity that works to offer people with convictions the hope of a better future by finding sustainable employment.

4. Accord Community Services Ltd was a is a limited company and subsidiary of Langley House Trust, which had been dormant since its incorporation in May 2012. It was dissolved on 22 March 2022.

24 FINANCIAL INSTRUMENTS

a. GROUP

	2022 £000	*2021 £000*
Financial Assets Measured at Amortised Cost:		
Rent and Service Charge Debtors	189	*184*
Other Debtors	999	*958*
Cash and Cash Equivalents	5,721	*6,036*
Total Financial Assets	**6,909**	*7,178*
Financial Liabilities Measured at Amortised Cost:		
Trade Creditors	232	*207*
Other Creditors	2,163	*2,075*
Total Financial Liabilities	**2,395**	*2,282*

a. LHT

	2022 £000	*2021 £000*
Financial Assets Measured at Amortised Cost:		
Rent and Service Charge Debtors	189	*184*
Other Debtors	998	*948*
Cash and Cash Equivalents	5,310	*5,663*
Total Financial Assets	**6,497**	*6,795*
Financial Liabilities Measured at Amortised Cost:		
Trade Creditors	232	*207*
Other Creditors	2,153	*2,032*
Total Financial Liabilities	**2,385**	*2,239*

25 POST BALANCE SHEET EVENTS

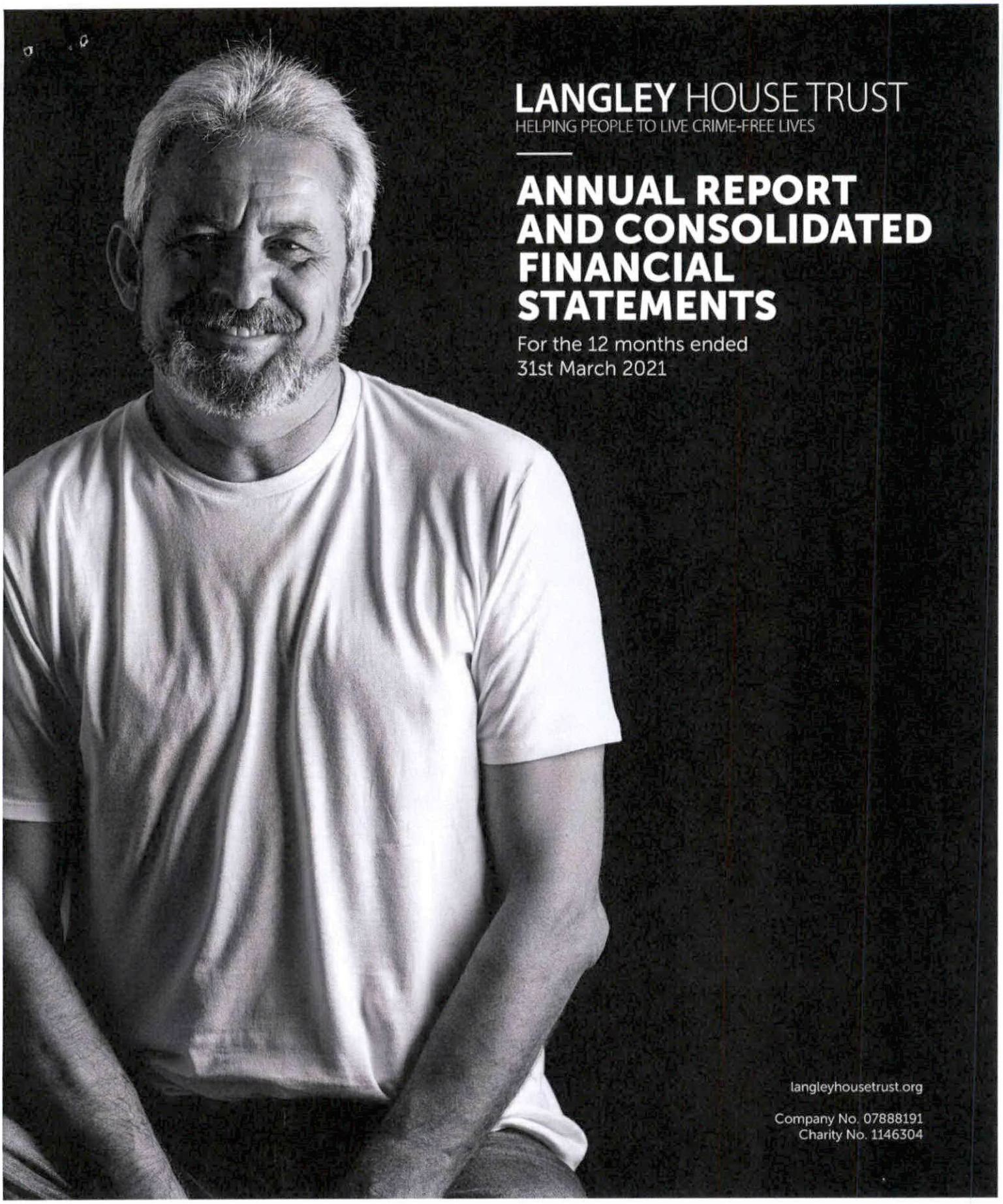
It has been agreed by the Trustees that the Trust will integrate one of its subsidiaries, Kainos Community, after the year-end.

It is intended that the merger contract will be completed by September 2022, and the trade and assets of Kainos Community will be acquired by Langley House Trust, and Kainos Community will cease trading.

LANGLEY TRUST

England & Wales - Charity number 1146304

Accounts



LANGLEY HOUSE TRUST

HELPING PEOPLE TO LIVE CRIME-FREE LIVES

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the 12 months ended
31st March 2021

langleyhousetrust.org

Company No. 07888191
Charity No. 1146304

Third Sector Awards Finalist 2017

NATIONAL HOUSING FEDERATION

24housing awards 2019

Registered with FUNDRAISING REGULATOR

INVESTORS IN PEOPLE | Gold

THE INVESTORS IN PEOPLE AWARDS 2020 Finalist

ISO 27001

charitytimes Awards 2018 Winner

Key Individuals

PATRONS

The Rt Rev. and
Rt Hon. the Lord Williams of Oystermouth
The Lord Ramsbotham GCB CBE
Rev. Jonathan Aitken

AMBASSADORS

The Rev Hugh Osgood, Moderator of the
Free Churches in England & Wales
Ademola Oshodi
Professor Chris Lewis

FELLOWS

Mrs Elfrida Calvocoressi SRN, SCM Mr Colin Honey
Mr Anthony Howlett-Bolton BA (Hons), FCMI, FSYI
Mr David Lane
Mr Tony Pearson CBE, BA (Hons), DPSA

TRUSTEE BOARD MEMBERS

Chair

Malcolm Hayes B.Sc (Hons)
F.I. Chem.E, FCII, C.Eng. C.dip A.F

Vice Chair (Development)

Philip Hilton MA (Cantab) PhD

Other Trustees

Andrew Newell MBA, FCIB
Sandra Keene CBE, BSc, DSW, CQSW
Michael Maiden BA, CQSW, DMS
Ruth Williams R.N. DipN (Lon), MSc
Amanda Coyle MSc, MBA, TksA
Stephen Cooper ACIB
Stephen Lawes BA, ACA
Shade Odupelu PGDip, MCIPD, MSc
(from 24th April 2020)
Linda Faith Trew (from 22nd October 2020)

The Trustees are Directors and Members of the Company within the meaning of the Companies Act.

Website

langleyhousetrust.org

EXECUTIVE DIRECTORS

Chief Executive

Tracy Wild MA Bsc (Hons), CQSW, PgC, CIH

Corporate Services Director

David Wm. Reynolds FCMA, CGMA

Corporate Operations Director

Ali Hancock BA, MA, ILM (until 19th June, 2020)

Corporate Operations Director

Chris Metcalfe (interim from 13th July 2020,
permanent from 5th October 2020)

Corporate Director-Quality and Compliance

Stella Wint (from 5th October 2020)

National Chaplain

Rev. Andy Rider MA, BTH (from 1st May 2020)

The Executive Directors are neither Directors nor Members of the Company under the definition of the Companies Act.

COMPANY SECRETARY

David Wm. Reynolds FCMA, CGMA

REGISTERED OFFICE

3-4 The Square, Manfield Avenue,
Coventry, CV2 2QJ

REGISTERED NUMBERS

Registered Company number 07888191
Registered Charity number 1146304
Registered Social Housing Provider number 4693

PRINCIPAL ADVISORS

External Auditors

Crowe U.K. LLP, Statutory Auditors,
Fourth Floor, St James House,
St James Square, Cheltenham, GL50 3PR

Bankers

Bank of Scotland,
33 Old Broad Street, London, BX2 1LB

Solicitors

Blake Morgan, Seacourt Tower West Way, Oxford,
OX2 0FB

Contents

Chair's review	4
Strategic report	6
Our partners & funders	13
Board's responsibility statement	20
Trustees' report	21
Independent auditors' report to the members of Langley House Trust	28
Statement of comprehensive income	31
Statement of financial position	32
Statement of changes in reserves	33
Cash flow statement	34
Notes to the financial statements	35

Chair's Review

When I wrote my review for last year's Annual Report I could not have envisaged needing to refer to the pandemic a whole year later. It has been a time like no other in our 63 year history and yet I am proud to say that the values, on which Langley was founded back in 1958, have stood the test of time and held us secure during this global crisis. Our values have always been a cornerstone of Langley and have been reinforced and extended during the six years I have been privileged to act as Chair of this extraordinary organisation.

During the past year Langley has grown; remarkable though that may seem our care income has increased since last year and our plans for growth and expansion of our services continue into this year. We recognise the increased need for care and accommodation for the expanding prisoner population and know that we are well placed to meet that challenge. A trusted brand with a strong reputation amongst our commissioners, we have maintained safe service delivery throughout this challenging year, which I am pleased to report has been an absolute priority for the Board and indeed the entire Langley Group.

None of this would be possible without the calibre and dedication of our staff, who are the very essence of the Langley 'brand'. For over 12 months our staff have continued to use PPE, subscribe to rigorous weekly testing regimes, changed clothes on arrival to the workplace and managed their own personal fears and concerns as well as those of our client group. For many the challenge of working from home has been considerable, with some staff needing to juggle home-school arrangements and in many cases working alongside a partner, who was also working from home. Whilst many across the country will have experienced similar issues, I want to pay tribute to the staff, who as key workers are facing particularly demanding work with clients, who are not known for their natural compliance. It has not been easy for our client-facing staff; yet we work in an environment that prioritises care for others and I am tremendously proud of how our Langley staff have continued to deliver precisely that, despite the personal challenges.

Central Services staff have faced different obstacles with isolation being a significant factor for many and zoom-fatigue a real issue. These staff carry the responsibility for ensuring that others have what they need to deliver frontline services and are often the proverbial listening ear, receiving problems first hand and needing to address them quickly without the colleague next door to lend a hand.

For the new staff, who have joined us in this season, I am in awe of your commitment to learning how we work when so often you are separated from the very environments we need you to support. Wherever I look across Langley though I see staff working together, led by a strong Executive Team and senior leaders, with a clear emphasis on support, encouragement and ensuring that we do not lose sight of our mission and purpose – to see the lives of our clients changed.

Quality is a hallmark of our service delivery and is such a Board priority that we have created a new Director post this past year to oversee it. Our most recent client survey feedback was strong in the areas pertaining to staff engagement and delivery of services; 85% of clients surveyed advised

that they would recommend our services to others, our client's views are important to us so we are pleased to receive such positive feedback.

I cannot overlook the tremendous support afforded us by our 85 volunteers, including chaplains attached to each of our Projects and services. Their dedication has been unwavering during this pandemic and clients and staff alike have benefited from this additional layer of support and care. Our supporters have continued to give into the work of the Trust both financially and through prayer and letters of encouragement; my heartfelt thanks to all of you for your fierce commitment to seeing Langley succeed.

Please continue to pray for us as we go about our day to day work – that lives will continue to be transformed – that those without hope may find a renewed enthusiasm for life and that those for whom prison seemed an end in itself may find a new opportunity to gain a productive and satisfying place in society as they experience a positive life change.

Malcolm Hayes
Chair of the Board
15th July 2021

Strategic Report

ABOUT US

Langley House Trust is an innovative Christian charity that provides specialist housing, programmes and support services in the community for offenders seeking to live crime-free. Since 1958 we have earned an enviable reputation for reducing offending with proven results.

The Trust seeks to use its faith base (which is centred on Christ and His teachings) to the advantage of clients, not by proselytising them, but by having a living ethos where all individuals are seen as of worth and capable of change. As a Christian charity we seek to support and care for clients, helping them to reach their full potential and become positive contributors to society.

Langley House Trust is the parent company to two subsidiaries that complement its work and contribute to its overall mission. These are:

Kainos Community – which delivers a Ministry of Justice accredited programme called Challenge to Change, currently delivered at HMP Lancaster Farms.

Clean Sheet – which offers people with convictions the hope of a better future by finding sustainable employment.

Langley House Trust, worked with 686 clients during 2020/21 with a reconviction rate of less than 3% for those in our housing.

We work with adult men and women (18+), who have offended or who are at risk of offending. We are skilled in working with those deemed 'hard to place' and those with complex needs.This includes individuals, who are subject to MAPPA (Multi-Agency Public Protection Arrangements).

OVERARCHING VISION

Our vision is of a crime-free society where no-one is unfairly disadvantaged or excluded because of their past.

MISSION STATEMENT

The mission statement for Langley House Trust was last reviewed in 2018/19 to ensure it continues to be relevant. It states: 'As a Christian organisation we support people, who have offended, or are at risk of offending, so they reintegrate into society, live crime- free and thrive.'

Langley House Trust will always see accommodation as a core part of its offer to the Criminal Justice Sector. We know that without suitable accommodation no other rehabilitative intervention stacks up. Ensuring offenders leaving prison have a suitable place to live is key to seeing them be able to live crime-free lives in the future.

The accommodation we provide to those, who have offended or who are at risk of offending, is located in 21 geographical locations in both urban and rural settings. The accommodation includes hostels, dispersed supported housing, registered care homes and dispersed accommodation with extra care provision.

Our housing support services enable people to maintain a tenancy, develop their skills to budget, access and manage support for addictions and mental health issues, engage with key community services (e.g. GPs and advocacy services), access education and develop their employability skills.

Our residential care and extra-care services

provide high levels of support for people with complex mental and physical care needs; offering one-to-one support, 24/7 staff supervision, specialist psychiatrist and psychological support for mental health issues and the development of independent living skills where required.

Our registered care homes provide placements for individuals coming from medium secure units, who require step-down services and are under mental health sections (e.g. section 41 or section 117). Each placement is individually assessed to ensure that individuals receive the correct care and support they require, which is responsive to changing needs.

ADVICE AND REHABILITATION IN PRISON

We provide targeted advice in 18 prisons addressing key issues relating to housing, debt, finance, benefits, gambling and reintegration into the community for long-sentenced prisoners.

KAINOS COMMUNITY

Through Kainos Community we deliver Challenge to Change, an accredited prison wing community programme. Challenge to Change incorporates cognitive behaviour therapy and a therapeutic community environment in which participants live 24 hours a day, seven days a week for six months. The programme is based on the principles of forgiveness, accountability and restoration, challenging participants to examine their thinking, attitudes and behaviour in order to live crime-free on release.

CLEAN SHEET

Clean Sheet helps those with convictions to find real, permanent employment. Clean Sheet has a directory of over 140 national employers. Clean Sheet works in partnership with businesses to look beyond the stereotype and consider applications based on merit skills and experience.

Clean Sheet delivers its work collaboratively, accepting referrals from organisations in the community supporting people with convictions. Clean Sheet's funding comes from a range of sources: investment from Langley House Trust Group, prisons, community partnerships, grant funding, employers contributions and supporter donations.

LANGLEY HOUSE TRUST APPROACH

Our approach is pragmatic, responsive and tailored to each person that we work with. At the heart of our approach is the belief that people can change regardless of their history. Consequently we have a track record of success in working with people, who have previously failed in other placements.

Our approach is:

- **Person-centred –** with a focus on recovery and independence. Care and support is shaped around the distinct needs and aspirations of each person. We support people to live as independently as possible, develop living and financial skills, access training, education and employment opportunities and participate in local community life.

- **Respectful of privacy and dignity –** we take the privacy and dignity of our clients seriously. We empower people to make their own choices wherever possible.

- **Risk-management focused –** our risk assessments and risk management plans are comprehensive and responsive to changing risks and needs. We work in close partnership with stakeholders involved in the supervision of clients including the National Probation Service. Safeguarding is of primary importance and we have comprehensive policies and procedures in place in relation to both the safeguarding of vulnerable adults and children.

- **Committed to partnership working –** in addition to working with statutory agencies to manage risk, we also work with education and training providers, voluntary organisations, businesses and faith groups to provide volunteering, education, training and employment opportunities for our clients. We are committed to working in partnership to maximise resources, share good practice and ensure best possible outcomes are achieved.

- **Responsive to client input –** creating ownership and autonomy. Our National Consultative Group provides a forum for clients to meet with senior staff and Trustees. The National Consultative Group meets three times a year and agendas include reviewing policies and procedures and discussing topical subjects that affect their everyday lives. We have a range of formal and informal feedback options including an annual satisfaction survey, comment cards and client forums (regional and national). All formal feedback is monitored and used to improve services at a local and national level. Although we engage clients in Kainos Community, the prison-based clients have limited abilities to engage outside of their programme team.

- **Focused on Equality, Diversity and Inclusion–** our Equality and Diversity Policy covers all nine of the protected characteristics recognised by the Equality Act 2010. During the year we have launched a taskforce for Equality, Diversity and Inclusion. This is spear heading work to ensure the Trust is in step with good practices in this vital area ensuring we review recent learning from campaigns such as 'Black Lives Matter.'

GROUP PERFORMANCE

Langley House Trust's Registered Care Bed spaces increased during 2020/21 from 91 to 100, its Supported Housing Beds space grew from 403 to 408.

Since 2016 income has also grown by £4.3m (37.2%) and net assets have grown by 31.5% to £9.4m.

REOFFENDING RATE OF OUR CLIENTS

The reconviction rate for clients of the Trust whilst with us remained within the target of 3%. This is one of the lowest reconviction rates in the country, enabling men and women to live crime-free.

GROWTH DURING 2020/2021

During 2020/21 Langley House Trust Group continued to grow its income as more care beds were filled.

In November 2020 we won a contract to deliver activity hubs as a delivery partner for Shaw Trust. This will mean our accommodation and debt advice work will expand across more prisons. During 2021 this service will be launched across the East of England and East Midlands.

COVID-19

Langley House Trust as a provider of care and supported housing continued to deliver its vital front line services all the way through the pandemic. Centrally a taskforce team was formed, chaired by the CEO and consisting of senior managers and a representative from our Board of Trustees, to coordinate the Group's response to the pandemic. The taskforce ensured that resources were secured and made available to front line staff such as PPE.

The taskforce also ensured contingency plans were in place, should Projects experience outbreaks. The taskforce monitored progress and made timely responses to any outbreaks ensuring they were contained and any impact on staff and clients minimised. The team also reacted to changes in legislation even if these occurred out of office hours, ensuring staff received instruction, guidance and training in a timely manner.

The Trust ensured we undertook risk assessments on individuals, safeguarding any vulnerable staff. We also undertook a number of wellbeing meetings with staff throughout the pandemic. Communication took place regularly with all staff and we were pleased to receive feedback and questions, which we could act on.

The Trust provided vouchers for all staff to access flu vaccine and also has ran a campaign to encourage all staff and clients, if eligible, to receive their COVID vaccine. No clients died as a result of COVID, although sadly we did lose one staff member; our thoughts are with her loved ones.

CARE QUALITY COMMISSION (CQC)

Due to the pandemic only one inspection took place on 31st March 2021 at the House of St Martin; this resulted in an overall rating of `requires improvement`. One of the issues was the low number of permanent staff. The Trust is working hard to ensure that improvements to this service allow it to return to the good rating it has previously had.

EXECUTIVE TEAM

During 2020 Chris Metcalfe was appointed to the role of Corporate Operations Director and Stella Wint was appointed to the role of Corporate Quality and Compliance Director. The latter was a new Director role and it sought to give more focus and resource to the area of care and quality management.

In addition Andy Rider joined the Executive

Team as National Chaplain during 2020. Although Andy Rider is only part-time (3 days a month), he has already been able to lead on a number of events including a virtual Carol Service on behalf of the Trust.

ISO27001

During 2020/21 the Trust worked intentionally towards the certification of its IT systems against ISO 27001 and was awarded accreditation on 18th May 2021. ISO 27001 is an internationally recognised standard on how to manage information securely and certification affirms that the Trust applies strict processes to the management of its data.

MANAGEMENT DEVELOPMENT PROGRAMME

During 2020/21 we delivered our externally accredited Management Development Programme to 9 of our staff. Due to the pandemic this course which is normally delivered in person was instead redesigned and delivered through virtual training.

It is testament to the Learning and Development team that the pandemic did not adversely affect this vital accredited management development programme that equips our leaders to be good managers.

COACHING AND MENTORING

During 2020/21 the Group launched its coaching programme. Through the appointment of an internal coach we are able to support staff development through one to one sessions ensuring a bespoke personalised approach. In addition to this, the Group continued to provide external mentors to senior staff to assist in the breadth of their professional development.

INVESTORS IN PEOPLE AWARD

The Trust was shortlisted for the Investors In People 'Employer of the Year' Awards for organisations with over 250+ staff that received Gold. We were shortlisted down to the last 10 organisations, which is a real accolade to our people.

RESTORE2 TOOL

During 2020/21 Restore2 was rolled out across the Trust's care homes. Restore2 is a tool that has been developed by the National Health Service to support care homes that have no clinical expertise to identify at an early stage a client, whose health may be deteriorating. It is a tool to support staff to:

- Recognise when a resident may be deteriorating or at risk of physical deterioration
- Act appropriately according to the resident's care plan to protect and manage the resident
- Obtain a complete set of physical observations to inform escalation and conversations with health professionals
- Speak with the most appropriate health professional in a timely way to get the right support
- Provide a concise escalation history to health professionals to support their professional decision making

The care sector has been encouraged by the National Health Service and Public Health England to adopt the Restore2 tool to support in focusing resources where they are most needed, and ensuring that clients get the right support, at the right time in the right place for the right outcome.
The tool assisted our care staff in identifying any physical deterioration in our clients, ensuring correct interventions were secured as soon as possible.

EMAR SYSTEM

During 2020/21 the EMAR system completed its roll out to all of our Projects that deliver care. EMAR is an electronic medication management system that allows

effective, efficient management of client medication with fewer errors in dispensing and recording.

FUNDRAISING

During 2020/21 the Fundraising Team achieved their voluntary income targets, supporting the Group. The team worked hard engaging and nurturing existing supporters and grant providers during the year.

The Group ran three fundraising campaigns: one at Easter, supporting our client's journey to a crime free life, an emergency PPE appeal to support the COVID restrictions and a Clean Sheet Christmas appeal. All campaigns were successfully received and raised vital funds for the Group during the pandemic.

As a member of the Fundraising Regulator the Group adheres to the Code of Fundraising Practice.

GROWTH AND ASPIRATIONS FOR 2021/22

The Group's strategic objectives are to:

1. Maintain and develop a Christian ethos that provides an environment which will stimulate growth in our clients and our people (staff and volunteers)
2. Continue to grow and develop both the capacity and models we offer the justice sector both within the community and in prison
3. Whilst remaining relevant and missional continue to increase levels of quality and efficiency in the delivery of services
4. Continue to increase financial and staff capacity to enable more sustainable effective delivery of the Trust's mission
5. Be a partner organisation of choice to both commissioners and referrers.

These strategic objectives are still relevant in the midst of the COVID-19 crisis.

The Group has considered the principal risks and uncertainties to the Group and has addressed these within the Trustees' Report (page 21).

The Group also has a number of strategies to identify sufficient resources to improve its services and prioritise its improvement plan, ensuring that Langley House Trust, Kainos Community and Clean Sheet remain partners of choice within the sectors in which they operate. The Group has reviewed the risks to its business in the light of the Coronavirus pandemic and looked to eliminate, mitigate or acknowledge these risks.

It is anticipated that the Langley House Trust Group will continue to grow and develop new services; the clients it will provide new services to will include offenders and those at risk of offending in the following groups:

- With complex needs
- Elderly offenders (including end of life care and those with long-term health conditions)
- With mental health issues (including enduring conditions)
- Learning disabilities
- Women
- High risk of harm clients
- Homeless

The Coronavirus pandemic has delayed the development ambitions of the Group; we were pleased to see the Trust secure a sub-contract to deliver housing, debt and gambling advice within a number of prisons, which expands the work we are already undertaking within the Prison estate. The Trust is passionate about seeing more within the Justice sector benefit from its life changing work and with this in mind will continue to push ahead with its growth strategy.

The growth priorities continue to be:

CARE

As the care bed capacity in the Trust fills completely, it is important that the Trust seeks to grow and develop more potential for housing those with care needs within the Trust.

SUPPORTED HOUSING

A range of supported housing solutions will always remain a core offer from the Trust and it is important that we not only replace any attrition in supported housing beds, but also look to grow and develop more supported housing beds both in current and new geographic locations according to need, funding and availability of suitable properties.

JUSTICE

The Trust will continue to offer vital services to the Justice Sector and will continue to work closely with the HMPPS to ensure we are useful and continue to be a partner of choice.

MERGERS AND ACQUISITIONS

The Group remains interested in further mergers and acquisitions. The key factors on deciding the appropriateness of such alliances include the organisation's work being in harmony with the Group's mission, the proposition adding value and the venture being financially viable.

FUTURE PROSPECTS

The Group has shown itself to be resilient and adaptable to a fast-changing market. However, the future still remains very uncertain; this Annual Report is written still in the midst of a global pandemic and, although we are beginning to see light at the end of this pandemic, its affects will impact the economy and national priorities for some time to come.

THANKS

Langley House Trust, Kainos Community and Clean Sheet have a number of loyal supporters, who generously support the work of the Group. We are so grateful for their ongoing support. This support allows the Group to invest in new growth and new initiatives, which in turn improve the lives of our clients.

We are extremely grateful for all those, who have generously supported our work – individuals, churches, charitable foundations and businesses. Their support has been invaluable in helping to sustain and enhance the services we provide in a time especially throughout the pandemic when resources and demands were increased.

The importance of having these funding streams cannot be underestimated – through these we are able to respond to local needs and to be more flexible in our support approach. This enhances our core services and makes a significant difference between managing a problem and transforming someone's life for the future. We are thankful to all the volunteers, who support Langley House Trust, Kainos Community and Clean Sheet for the value they add to our work and the difference it makes to the lives of our clients. We would also like to thank our staff, who are committed to changing the lives of those we work with and who often go the extra mile to ensure our work makes a difference.

OUR PARTNERS

The Group is grateful to colleagues in partner agencies and organisations including Homes England (previously the Homes and Communities Agency), The Ministry of Justice, Her Majesty's Prison and Probation Service Community Rehabilitation Companies, Supporting People Teams, Social Services, the Police, National Health Service (NHS) Trusts, Integrated Offender Management Teams, Police and Crime Commissioners and all those that work alongside us to help people to live crime-free.

The Trustees also acknowledge with gratitude those partner organisations from whom we lease property including: Ashdown Medway Accommodation Trust, BPHA, Cheltenham Borough Council, Coventry City Council, the Methodist Church in Great Britain, Milnrow Properties, MHS Homes, Places for People and Your Housing.

FUNDERS

The Trustees thank all of those, who have funded initiatives in the year.
We would particularly like to thank:

- AS Charitable Trust for continuing to support the Trust
- Triangle Trust for their continued support to the Trust and Clean Sheet
- Anchor Trust for their continuing support to the Trust
- Garrison Plate Fund, who continue to donate towards the work of the Group

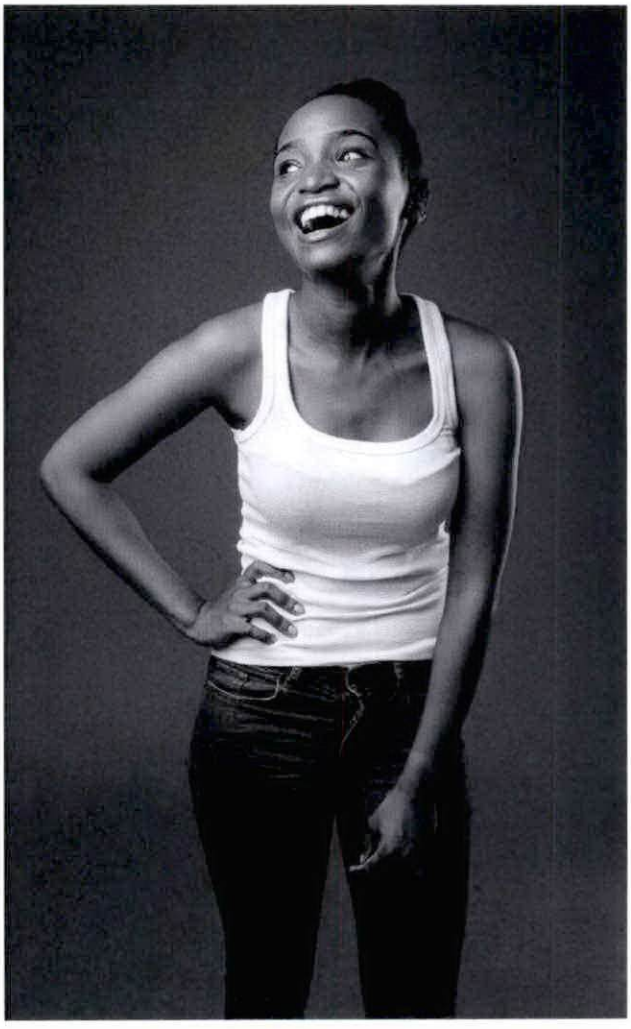
Other grant funders, including: The AB Charitable Trust, The Alexis Trust, The Elspeth J Thompson Charitable Trust, The Hargrave Foundation, The Marjorie & Geoffrey Jones Charitable Trust, The Maurice & Hilda Laing Charitable Trust, The Rhododendron Trust, The Tay Charitable Trust, and The Morrison Foundation.

LEGACY

We would like to especially thank the families of the following people, who kindly left a legacy in support of our work. These gifts are gratefully received and the individuals will be remembered in building a better future for our clients and the growth of the Group.

The late Ruth E Wren
The late Eileen B Harriss
The late Dorothy Button
The late Cecil Raymond Grimwade
The late Vera Doreen Chiverton

Their legacy lives on through all we do in helping individuals live crime free lives.



FINANCIAL REVIEW

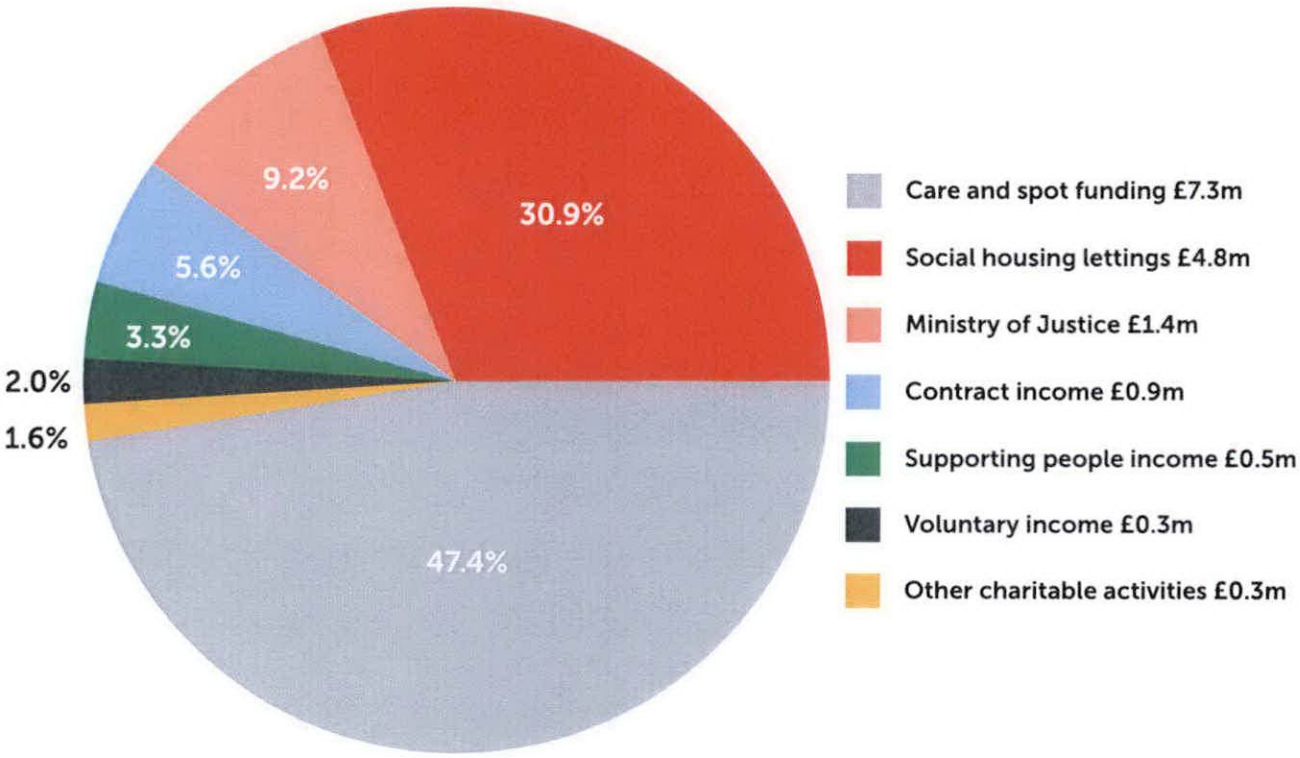
The Trust reported an operating surplus of £778k in 2020/21 (2019/20: surplus £274k). The Trust's policy is to write off all set-up costs at the point of a unit becoming available for occupancy.

A summary of the Trust's five year financial performance is as follows:

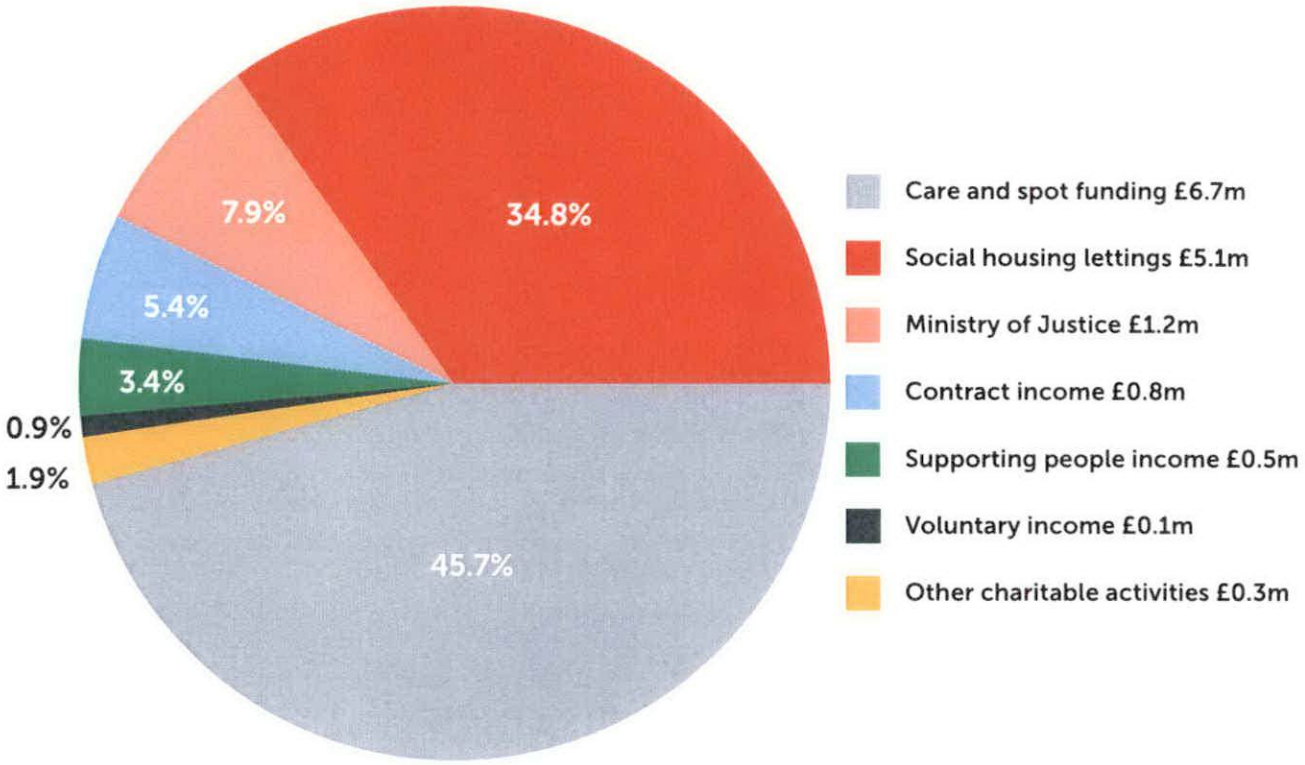
Year	Income	Operating Costs	Operating Surplus	Operating Surplus
	£'000	£'000	£'000	%
2016/17	11,529	11,438	91	0.8
2017/18	12,098	11,924	174	1.4
2018/19	12,299	12,646	(347)	(2.8)
2019/20	13,430	13,156	274	2.0
2020/21	15,512	14,734	778	5.0

These figures have been prepared under FRS 102.

OPERATING INCOME 2020-21



OPERATING EXPENDITURE 2020-21

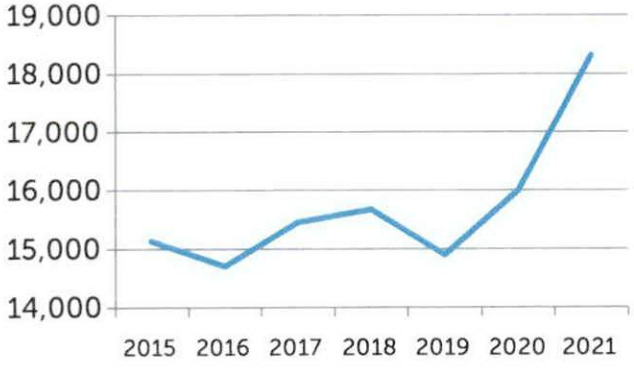


The income of £15.5m (Group: £15.8m) reflects growth across a number of revenue streams, especially care income.

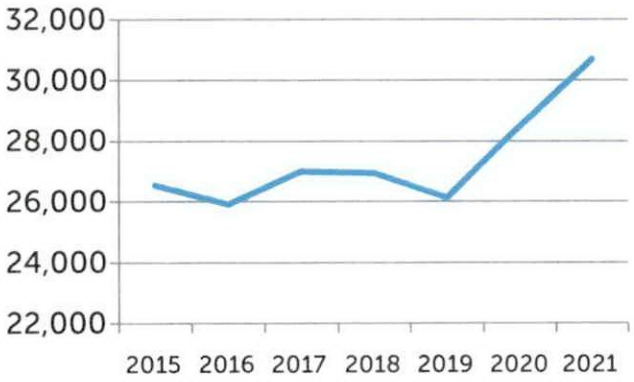
The Trust continues to review services on a project- by-project basis to ensure that delivery is in line with expectations and reflects the funding provided. Net rental income increased by £331k and care and spot funding income increased by £986k.

To be certain of effective application of funds, the Trust evaluates its cost base by using various financial costing models. The impact of these cost models, monitoring of the cost base and continual reviews of systems and processes can be observed in the two graphs below:

Labour Cost per Unit per Year



Total Operating Cost per Unit per Year



After allowing for interest received, movement on investments and a gain on the disposal of fixed assets, the surplus on ordinary activities in the year was £977k (2019/20: surplus £698k).

The Group figures also include a full twelve months trading results for the Trust's subsidiary companies, Kainos Community and Clean Sheet.

Capital expenditure of £76k (2019/20: £234k) was spent on the Trust's housing properties, in improving the existing stock. In accordance with the accounting standards the components that were replaced have been removed from the value of the Group's fixed assets.

The Group spent £201k (2019/20: £162k) on other capital equipment.

The Group generated a cash inflow from operating activities of £1,951k.

KEY PERFORMANCE INDICATORS (KPIs)

The Board used 20 KPIs to monitor the delivery of the Trust's strategic objectives. The range of KPIs included indicators of: utilisation, reconviction, client engagement (Projects), client engagement (prisons), staff performance and financial performance. The KPI performance report is a standard item that is reviewed by the Board. It looks to bring added value through the delivery of services, which increase opportunities for education, volunteering and employment. The Trust internally monitors how many clients offend whilst resident with the Trust. For the year 2020/21 the reconviction rate for those in our housing was within the target figure of 3%. This indicates that the Trust's approach is continuing to bring successful outcomes.

VALUE FOR MONEY (VfM)

Our Approach to VfM

As a charity and recipient of funding from both local and national government bodies, the Trust recognises that it is accountable to its supporters, funders, clients and staff for the money it receives. The Group is committed to making sure it gets the best value for the money it spends and actively takes steps to identify and implement improvements, which will reduce costs, remove waste and add value for its stakeholders.

The strategy within the Group is to ensure a culture where VfM is integral to business delivery with clients, central to decisions made and outcomes achieved.

The Group has a robust framework for measuring, evidencing and improving VfM activity and fostering a culture of empowering continuous improvement. The Group's value chain approach of economy, efficiency and effectiveness demonstrates the culture for improving the efficiency of its processes and evidencing value for money to clients, regulators, funders and other stakeholders.

Steps Taken to Deliver VfM

The Group's VfM Awards were launched in 2016 and recognise innovation and cost savings within local teams. Staff and volunteers across the Group have been kept updated on VfM activities and initiatives through internal communications and clients have been kept updated through the National Consultative Group and their Client Representatives.

Organisational VfM targets have been rolled out to each department and performance against these targets is monitored by the Board as part of the Group's KPI reporting format.

VfM Champions from across the Group meet to share good practice, receive training and identify, evaluate and prioritise VfM opportunities for the Group.
The Group has continued to review and improve many of its core processes.

VfM Performance During the Year
The Group's performance against the seven Value for Money metrics required by the Regulator to be reported against is as follows:

The difficulty of the Regulator applying seven metrics across the housing sector in a generic "one size fits all" approach to a provider the size of Langley House Trust is that you can lose the true value and achievement of purpose. Reporting against these metrics in a year that was significantly impacted by the COVID pandemic does not assist in reporting the Trust's value and purpose that continue to be realised as it continues to do the right things and to do things right. COVID restrictions and guidance directly impacted performance as reported by these metrics.

The table indicates a mixed outcome for the Trust with some metrics moving in a positive year on year direction whilst others have moved backwards. Nevertheless, the headline for Langley House Trust is that during the year 2020/2021 we were able to have an impact on the 686 clients that we engaged with. Government guidance during COVID imposed restrictions on the movement of clients (and the public in general) during 2020/21.

Furthermore, Langley House Trust maintained the reconviction rate of less than 3% for those in our housing.

We work with adult men and women (18+), who have offended or who are at risk of offending. We are skilled in working with those deemed 'hard to place' and those with complex needs. This includes individuals, who are subject to MAPPA (Multi-Agency Public Protection Arrangements).

The 15.5% growth in income (£2.1m), application of the Group's Value for Money approach, driving the operating margin and ROCE have resulted in the positive year on year direction of three of the six applicable RSH metrics.

Specific remarks on the RSH's metrics are:

1. **Re-investment -** is the acquisition and repairs and maintenance costs, plus expenditure on works to existing owned properties divided by the value of the properties owned by the organisation. The table shows that in 2020/21 the Group's investment in properties further reduced to 0.8% (down from 2.3% in 2019/20). The principle reason to reducing the number of acquisitions was directly attributable to the lack of access to properties to undertake extensive works due to the COVID-19 pandemic.

2. **New supply –** the Regulator expects providers to report on both the supply of social and non-social housing units. It will calculate new supply from the total number of housing units acquired in the reporting period divided by the total number of units held at the end of that period. The number of new or replacement units taken on within the year amounts to 10 units compared to 28 in 2019/20. This figure is lower in 2020/21 as a result of challenges caused by the COVID-19 pandemic in finding and securing new units.

Year	2020/21	2019/20	2018/19	2017/18	Direc-tion of Travel
1. Reinvestment	0.8%	2.3%	5.2%	6.4%	↓
2A. New Supply (Social Housing)	2.1%	6.1%	5.8%	13.8%	↓
2B. New Supply (Non-Social Housing)	0.0%	0.0%	0.0%	0.0%	
5. Headline Social Housing Cost per Unit	£10,429	£9,689	£9,016	£9,183	↑
6A. Operating Margin (Social Housing)	(7.1%)	(6.9%)	(7.9%)	(1.8%)	↓
6B. Operating Margin (Overall)	5.0%	2.0%	2.8%	1.4%	↑
7. Return on Capital Employed (ROCE)	6.4%	6.2%	3.3%	1.6%	↑

3. **Gearing –** this metric is designed to assess the provider's reliance on debt and appetite for growth. It divides the total owed in loans and finance leases by the cost or deemed cost and/or valuation of housing properties and would therefore not be applicable to the Group.

4. **Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI)** – overall surplus (or deficit), plus other income received, less grants and capitalised repairs, plus total depreciation charge divided by the total capitalised interest in housing properties and interest payable and other financing costs. Designed to assess investment capacity by measuring surplus against a provider's interest payments, it would not currently apply to the Group.

5. **Headline social housing cost per unit** – an amalgamation of management, service charge, maintenance and repair costs, including capitalised major repairs and other related social housing expenditure such as neighbourhood and community costs divided by the total number of social housing units at the end of the reporting period. The increase to the cost base for social housing in the form of furniture purchases and cyclical decoration of properties, which is fully funded through Housing Benefit, was a strategic decision from the Business Plan to raise the quality of our housing stock far above that of the decent homes standard.

6. **Operating margin –** designed to assess the profitability of operating assets before exceptional expenses are taken into account and to give the Regulator an indication of overall value for money performance. The Regulator has proposed two measures: operating margin for social housing lettings calculated by dividing the operating surplus (or deficit) for social housing lettings by the turnover from social

housing lettings only and operating margin overall, calculated by dividing the overall surplus (or deficit) by overall turnover. The reduced operating margin for social housing was due to an adverse occupancy position that did not offset the increase to the cost base. However, with an improved margin within other income streams, the Group's overall operating margin increased by 3.0% in 2020/2021 to 5.0%.

7. **Return on Capital Employed (ROCE) –** a common measure used in commercial business, the Regulator suggests that this metric will demonstrate the level of efficient investment of resources. Calculated by dividing the overall surplus (or deficit), the income from any joint venture partnerships and any gain or loss from the disposal of housing properties by the provider's total assets, less its liabilities. Income growth combined with the expenditure reductions arising from the COVID-19 restrictions produced a small increase in Return on Capital Employed from 6.2% to 6.4%.

MATERIAL ESTIMATES, CONTROL AND JUDGMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The Principal Accounting Policies set out the Key Judgement Areas within Note 2.

The main judgement areas that have had the most significant effect on the Trust's accounts are:

a. Depreciation and amortisation provisions relating to fixed asset accounting, which are based on estimated useful economic lives of individual assets and apportionment of costs between components of composite assets

b. Provision for bad debts, which are based on specific balances and past experience of bad debts

The impact on the Trust's accounts of these estimates for the year ended 31st March 2021 is as follows:

Description	Expenditure	Income
Depreciation	£491k	
Grant amortisation		£82k
Bad debt expense	£200k	

POST BALANCE SHEET EVENTS

The Board considers that there have been no events since the financial year-end that have had a significant effect on the financial position of the Group.

Board's Responsibility Statement

The Board is responsible for preparing the Trustees' Strategic Report and the financial statements in accordance with applicable law and regulations.

The Companies Act 2006 and registered social housing legislation require the Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and the Trust and of the income and expenditure for that period.

In preparing these financial statements the Board is required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Housing SORP 2018 (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statement
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business

The Board is responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the Trust and enable it to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

The Board has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Group and the Trust and to prevent and detect fraud and other irregularities.

The Trustees, who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Trust's auditors are unaware, and each Trustee has taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The strategic report was approved by the Board on 15th July 2021 and signed on its behalf by:

Malcolm Hayes
Chair of the Board
15th July 2021

Trustees' Report

The Trustees present their report and accounts for the year ended 31st March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Langley House Trust was first registered as a charity in September 1958.

The charity is a company limited by guarantee, incorporated on 20th December 2012 and registered as a charity with the Charity Commission on 8th March 2012. The company was also registered with the Regulator of Social Housing on 1st March 2012 as a non-profit social housing landlord and was registered with the Financial Conduct Authority (FRN716378) on 4th January 2016.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount of no more than £1.

The Trustees, who are also directors for the purpose of company law and who served during the year, are listed on page 2.

Langley House Trust has a group structure – the Kainos Community and Clean Sheet are both legal subsidiaries of the Trust. The governing body is the Board, whose members are non-executive and unpaid. The Board ensures it maintains full and effective control over the charity through close monitoring and oversight of the Group's business.

The Board is responsible for major strategic decisions and has ultimate responsibility for the conduct and financial stability of the Trust. It seeks to support the Executive in a culture of mutual confidence and trust.

During the year, two new Trustees were appointed following an open selection process based on relevant skills and knowledge.

In addition to the Board members, the Trust has a number of honorary roles, namely Patrons, Ambassadors and Fellows, who represent the Trust externally in different capacities.

The Trust has an Audit, Risk & Compliance Committee, a People Committee and a National Consultative Group. These Committees have clear terms of reference and report directly to the Board.

The Board delegates to the Chief Executive full control over the operation of the Trust within policy. The Chief Executive and other members of the Executive, titled Corporate Directors and National Chaplain, attend meetings of the Board. The term "Directors" should not be construed as Directors under the Companies Act. It is the duty of the Chief Executive to further the mission of the Trust and to ensure that management is efficient, effective and runs in accordance with good business practice.

The Board determines the remuneration and the conditions of employment of the staff. The Board monitors and reviews the quality, effectiveness and timeliness of information provided by the Executive. The Board has access to independent professional advice if necessary.

The Articles of Association allow the Trustees to deposit or invest its funds.

The Board will secure expert advice, where necessary, before investing funds. In deciding where and how to invest its funds the Board will always consider suitability of the investment and the overall diversification of the funds it has already invested. The Board has approved a Treasury Management Policy to assist with this area of responsibility.

The Board is content that the Trust complies with the National Housing Federation's (NHF) "Excellence in Governance Code and Good Practice Guidance" in the areas in which it applies to the Trust, subject to the following exceptions:

a. The Board has decided that it is not appropriate to allow Executive staff to become Board members; therefore standards B4, B5 and B6 do not apply
b. Langley House Trust is not a shareholding company; therefore standards B8 and D6 do not apply
c. Board members are not nominated or directly elected; therefore standard D7 does not apply
d. As the organisation does not pay its Board members (apart from reimbursing expenses and paying for indemnity insurance), standards D10 and D11 are not applicable
e. The Trust is not a Co-operative and Community Benefit Society; therefore standard H2 (3) does not apply

The potential conflicts of interest are declared at every meeting, none are declared as existing at the date of this report.

COMPLIANCE WITH THE GOVERNANCE AND VIABILITY STANDARD

The Board confirms that the Group and Trust have met the Regulator of Social Housing's regulatory expectations in relation to the governance and financial viability standard.

The Board confirms compliance with all legal and regulatory requirements for companies registered under the Companies Act 2006 and for charities registered under the Charities Act 2011.

OPERATIONAL INFRASTRUCTURE

The Trust has the majority of its Central Service staff based in Coventry. This includes specialist staff in Housing, Property, Referrals, Finance, Human Resources, IT and Development.

STAFF AND VOLUNTEERS

The Group values its people and during this past year we have had many examples of staff and volunteers going above and beyond to deliver services and care for our clients. Many staff join the Trust because they believe in what we do and are committed to the mission and values of the organisation.

As of 31st March 2021, Langley House Trust had 253 employees, including temporary staff and excluding relief workers. Of these, 81% worked directly with clients. The Trust has increased its staffing by 10.5% over the past year.

As a service provider, the Group is reliant on the skill, knowledge, professionalism and dedication of its employees. The Group recognises success is directly related to successfully harnessing the potential of all.

The Group seeks to engage employees in its activities and achievements and holds the Investors In People Gold Award.

The Group recognises the valuable role volunteers play in assisting in the delivery of a high-quality service to clients. Volunteers allow the Trust to undertake value-added activities with clients.

The Volunteer Manager has successfully retained volunteers across the Trust during the pandemic, which has not been easy given their inability to access Projects for many months.

GENDER PAY GAP REPORTING

During the year The Group was proud to share its Gender Pay Gap Report, a mark of our commitment to fair pay, which we published in line with government guidelines.

We were pleased to announce that there was no pay gap between genders for median pay and a 3% pay gap for average pay. We have ongoing plans to monitor, publish and create action plans for the gender pay each year so this continues to support our values within the Group.

STATEMENT ON THE GROUP'S SYSTEM OF INTERNAL CONTROL

The Board has overall responsibility for establishing and maintaining the system of internal control and reviewing its effectiveness. Trustees recognise that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives, however, the system of internal control implemented by the Trust has been designed to manage key risks and provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance to the Board regarding the preparation and reliability of financial and operational information and the safeguarding of the Trust's assets and interests.

In meeting their responsibilities, the Trustees have adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Trust is exposed. The process adopted by the Trustees in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

1. **Identification and evaluation of key risks –** Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and on-going process of management review in each area of the Trust's activities. The Executive Team regularly considers significant risks facing the Trust and the Chief Executive is responsible for reporting to the Trustees any significant changes affecting key risks. In accordance with the Group's Risk Management Policy, the Summary Risk Map is formally reviewed by the full Board at least once a year and the highest risks facing the Trust are discussed at each Audit, Risk & Compliance Committee meeting.

2. **Environment and control procedures –** The Trustees retain responsibility for a defined range of issues covering strategic, operational, financial and compliance issues. The Trust's Articles of Association, policies and procedures cover issues such as delegated authority, segregation of duties, accounting, health and safety, data protection, fraud and whistleblowing. The Trust also has an extensive range of policies and procedures relating to the safe management of the client group with which it works to minimise the risk to clients, staff and the wider public.

   The Trust also holds an Asset and Liability Register in line with regulatory requirements, which provides a collated view of the Trust's assets and contract liabilities. The integrity of the register is audited and reported to the Executive Team on a quarterly basis.

3. **Information and financial reporting systems –** The Trustees review and approve the annual budget and the 5 year financial plan for the Trust. Financial reporting procedures include detailed management accounts and forecasts, which are reviewed by the Executive Team and are presented to the full Board of Trustees monthly. The Board also reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes at each Board meeting.

4. **Monitoring and corrective action** – A process of regular management reporting on control issues provides assurance to senior management and to Trustees. This includes ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and delivery of our services.

The internal control framework and the risk management process are subject to regular review by Internal Auditors, who advise the Executive Team and report to the Audit, Risk & Compliance Committee. A three year Internal Audit plan exists to assist in this process and is approved annually by the Audit, Risk & Compliance Committee.

Progress against the plan is also monitored throughout the year and the Audit, Risk & Compliance Committee formally reviews the performance of the Internal and External Auditors once a year. The Audit, Risk & Compliance Committee considers internal control and risk at each of its meetings during the year. In addition to Internal Audit, the Executive receive assurance on the operation of internal controls through a self-assessment audit toolkit used by the managers of its various Projects.

The Audit, Risk & Compliance Committee conducts an annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of risk management and control process.The Audit, Risk & Compliance Committee reports on progress to each Board meeting and makes an annual report to the Board of Trustees. In preparing its report, the Audit, Risk & Compliance Committee takes into account the various reports of the Internal and External Auditors, the Chief Executive's Annual Report on Internal Control, other reports from the Executive to the Audit, Risk & Compliance Committee and full Trustee Board and inspection reports from the Care Quality Commission, the Regulator of Social Housing and other regulatory bodies.

The Prevention, Detection, Reporting and Recovery of Financial Crime and Fraud

The Trust takes fraud and other financial crime seriously. The Trust's Fraud and Prevention of Financial Crime Polices set out management responsibilities to ensure an adequate control system is in place to minimise the risk of fraud and other financial crimes such as money laundering and to ensure a reasonable likelihood of early detection. These policies also state the procedure to be followed in the event of suspected fraud, money laundering or other financial crime, including reporting requirements and any subsequent action to be taken for recovery.

The Trust maintains a register of actual and attempted frauds and thefts. The contents of the register are reported annually to the Audit, Risk & Compliance Committee. During 2020-2021 there were no significant losses identified as a result of fraud.

The Trustees confirm that there is an on-going process for identifying and managing significant risks of fraud and other financial crime faced by the Trust. This process has been in place throughout the year under review, up to the date of the annual report and accounts, and is regularly reviewed by the Audit, Risk & Compliance Committee.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's main sources of income come from various forms of government funding and grants. This means that the Group is therefore at risk from changes in policy in regards to funding and the strategic priorities given to the rehabilitation of offenders both at a national and local level by the government.

Over the last few years there have been reductions in government funding due to the austerity measures implemented by the government. The Group has sought to ensure all of its services are of a high quality and relevant to commissioners. Over the last few years, the Group has worked hard to diversify its income stream to mitigate the loss of any one funding stream.

A number of the risks on the Group's risk map relate to the continued uncertainty around various funding streams.

The Group's risk map details the main business risks and identifies how the risks have been mitigated. The risk map identifies the significant risks, which the Board considers could have a material impact on the Group's business.

The risk map is regularly updated in the light of changing internal and external circumstances and it informs the business planning and decision-making process at a high level. This map is reviewed by the Executive Team and the Audit, Risk & Compliance Committee at each meeting.

RESERVES

The Trust's Reserves Policy has identified that a contingency equivalent to twelve weeks' operating expenditure needs to be maintained in order to cover identifiable and quantified risk and to allow the Trust sufficient time to be able to restructure its operations minimising the disruption to clients. The Trust is compliant with this policy.

Analysis of the Group's reserves is shown in the Statement of Changes in Reserves.

EQUALITY, DIVERSITY AND INCLUSION

The Group's approach to Equality, Diversity and Inclusion is set out in its Group Equality, Diversity and Inclusion Policy, which is reviewed annually and included within Langley House Trust's activities.

The Group understands the vital role Equality, Diversity and Inclusion plays in creating an environment in which our staff and clients are able to reach their full potential. We appreciate and celebrate difference and individuality, respecting everyone as being made in God's image and having an intrinsic value, a view strongly upheld by our Trustees and senior management team.

There is no place for racism or any other form of discrimination within the Group. It is not just illegal, but goes against all that we stand for as outlined in our values. Langley House Trust Group staff are asked to challenge any racist or discriminatory behaviour that they witness, experience or hear about and then report it. The CEO's commitment is to ensure all allegations are investigated and appropriate action taken.

HEALTH AND SAFETY

The Board and Langley House Trust's employees maintain a high level of attention to and awareness of Health and Safety across the organisation. The Board, through the Audit, Risk & Compliance Committee, receives regular reports in relation to Health and Safety and over the last few years has ensured it remains an area for Internal Auditors to validate.

Regular internal Health and Safety audits have taken place during the reporting period alongside unannounced audits from an external health and safety professional. The findings lead to the creation and implementation of an action plan.

QUALITY AND QUALITY MANAGEMENT

Delivering consistently high-quality services to clients is a key priority for the Trust. During 2020/21 the Trust has invested in a Quality Team, who have implemented a new quality management process; this is regularly updated to ensure that extensive quality and performance data from all Projects and dispersed units is captured and analysed on an on-going basis. The team's 'Quality Matters' approach to quality and compliance enables the Trust to be proactive in ensuring that performance standards are met and that the service continuously improves.

The Corporate Director for Quality and Compliance is the lead officer for the Quality Strategy and regularly reports on performance to the Audit, Risk & Compliance Committee and to the Board.

PARTNERSHIPS

The Trust is well regarded by its partner agencies. It is commissioned by a range of public bodies, including the Ministry of Justice and Local Authorities. The Trust has also entered into a number of formal

sub-contracting arrangements, which has enabled it to deliver targeted services in new and existing areas. The Trust holds regular meetings with all of its stakeholders to discuss progress, service delivery and to ensure targets are met.

We appreciate the confidence shown to us by those organisations, who have provided grant funding to ensure the Trust can flourish, evolve and develop new services. Some of these organisations have provided funding over several years.

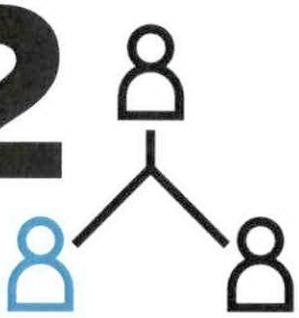
PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Reducing reoffending benefits the whole population. The Trust's work is financed through funding from local and central government and other public authorities, and through legacies, donations and grants. Residents contribute to their accommodation costs, but are entitled to claim Housing Benefit and other benefits to allow them to finance their stay; therefore those in poverty are not excluded from the opportunity to benefit from the Trust's services.

The Trustees' report was approved by the Board on 15th July 2021 and signed on its behalf by:

Malcolm Hayes
Chair of the Board
15th July 2021

152
referrals for care services

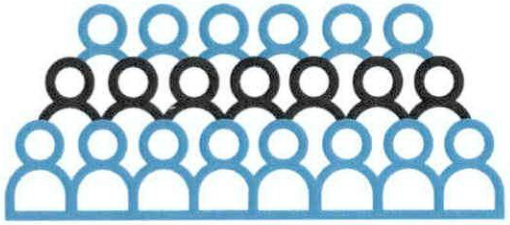


1360
supported housing referrals

508
bed spaces available

&

We ran **15** Projects



686 clients received our services in the last year

1.75%
departed for re-offending reasons

86%
satisfaction reported by clients for staffing, key-working and the impact of this

85%
of clients surveyed would recommend the Trust's services to others

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2021

Opinion

We have audited the financial statements of Langley House Trust ('the Trust') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprise the group and parent statement of comprehensive income, the group and parent statement of financial position, the group and parent statement of changes in reserves, the group cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 the Trust's affairs as at 31 March 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 financial statements section of our report. We are independent of the group 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 trustee's 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 Trust's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements or our knowledge obtained in 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 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.

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the Trust and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; or
- the 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Trust and group

operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019, together with the Housing SORP. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Trust's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Trust and the group for fraud. The laws and regulations we considered in this context for the UK operations were the Regulator of Social Housing regulations, CQC Regulations for service providers and managers, employment legislation and taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of rental and care income, recording the impact of the CQC regulatory reviews, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit, Risk & Compliance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over the timing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Guy Biggin

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Fourth Floor

St James House

St James Square

Cheltenham

GL50 3PR

Date: 1 September 2021

Langley House Trust
Statement of Comprehensive Income
For the Year Ended 31 March 2021

	Notes	Group 2021 £000	LHT 2021 £000	*Group 2020 £000*	*LHT 2020 £000*
Turnover	3	15,754	15,512	*13,572*	*13,430*
Cost of sales		-	-	-	-
Gross profit		**15,754**	**15,512**	*13,572*	*13,430*
Operating expenditure	3	(14,884)	(14,734)	*(13,209)*	*(13,156)*
Other income		-	-	-	-
Gain on disposal of property, plant and equipment	7	6	6	*424*	*424*
Operating surplus	3	876	784	*787*	*698*
Movement in fair value of investments	15	159	159	*(47)*	*(47)*
Interest receivable and other income	8	34	34	*47*	*47*
Surplus before tax		1,069	977	*787*	*698*
Taxation		-	-	-	-
Surplus for the year after tax		1,069	977	*787*	*698*
Total comprehensive income for the year		**1,069**	**977**	*787*	*698*

The financial statements were approved and authorised for issue by the Board on 15th July 2021 and were signed on its behalf by:

Malcolm Hayes	Philip Hilton	David Wm. Reynolds
Chair of the Board	**Board Member**	**Secretary**

The notes on pages 35 to 55 form an integral part of these accounts.

Langley House Trust
Statement of Financial Position
For the Year Ended 31 March 2021

	Note	Group 2021 £000	LHT 2021 £000	*Group 2020 £000*	*LHT 2020 £000*
FIXED ASSETS					
Housing properties	13	6,147	6,147	*6,409*	*6,409*
Other fixed assets	14	367	367	*319*	*319*
Investments	15	937	937	*928*	*928*
Total fixed assets		**7,451**	**7,451**	*7,656*	*7,656*
CURRENT ASSETS					
Debtors	16	1,496	1,486	*1,560*	*1,540*
Cash in hand and at bank		6,036	5,663	*4,172*	*3,923*
Total current assets		**7,532**	**7,149**	*5,732*	*5,463*
Less Creditors: amounts falling due within one year	17	(2,586)	(2,526)	*(1,913)*	*(1,875)*
Net current assets		**4,946**	**4,623**	*3,819*	*3,588*
Total assets less current liabilities		**12,397**	**12,074**	*11,475*	*11,244*
Creditors: amounts falling due after more than one year	18	2,925	2,925	*3,008*	*3,008*
Provisions for liabilities and charges					
Other Provisions	19	36	36	*100*	*100*
Total net assets		**9,436**	**9,113**	*8,367*	*8,136*
Reserves					
Restricted reserves		15	15	*82*	*82*
Revenue reserves		9,421	9,098	*8,285*	*8,054*
Total capital & reserves		**9,436**	**9,113**	*8,367*	*8,136*

The financial statements were approved and authorised for issue by the Board on 15th July and were signed on its behalf by:

Malcolm Hayes
Chair of the Board

Philip Hilton
Board Member

David W.R. Reynolds
Secretary

Registered Company number: 07888191

The notes on pages 35 to 55 form an integral part of these accounts.

Langley House Trust
Statement of Changes in Reserves
For the Year Ended 31 March 2021

GROUP

	Income and expenditure reserve £000	Restricted reserves £000	Total £000
Balance as at 31 March 2019	***7,507***	***73***	***7,580***
Surplus for the year	787	-	787
Transfers from restricted reserves	(9)	9	-
Balance as at 31 March 2020	**8,285**	**82**	**8,367**
Surplus for the year	1,069	-	1,069
Transfers from restricted reserves	67	(67)	-
Balance as at 31 March 2021	**9,421**	**15**	**9,436**

LHT

	Income and expenditure reserve £000	Restricted reserves £000	Total £000
Balance as at 31 March 2019	*7,365*	*73*	*7,438*
Surplus for the year	698	-	698
Transfers from restricted reserves	(9)	9	-
Balance as at 31 March 2020	**8,054**	**82**	**8,136**
Surplus for the year	977	-	977
Transfers from restricted reserves	67	(67)	-
Balance as at 31 March 2021	**9,098**	**15**	**9,113**

The notes on pages 35 to 55 form an integral part of these accounts.

Langley House Trust
Cash Flow Statement
For the Year Ended 31 March 2021

GROUP	Note	2021 £000	*2020 £000*
Net cash from operating activities	i	1,951	*887*
Cash flow from investing activities			
Purchase of housing properties		(76)	*(234)*
Purchase of other fixed assets		(201)	*(162)*
Proceeds of sale of housing properties		-	*865*
Proceeds of sale of other fixed assets		6	-
Proceeds of sale of investments		150	-
		(121)	*469*
Cash flow from financing activities			
Interest received		34	*47*
Net change in cash equivalent		**1,864**	*1,403*
Cash and cash equivalents at beginning of the year		**4,172**	*2,769*
Cash and cash equivalents at the end of the year		**6,036**	*4,172*

Note i - reconciliation of net cash flow from operating activities	**2021 £000**	*2020 £000*
Surplus for the year	**1,069**	**787**
Depreciation of tangible fixed assets	491	487
Amortisation of Grants	(83)	(82)
Profit on disposal of asset	(6)	(424)
Other non cash changes	(159)	47
Interest received	(34)	(47)
(Decrease)/Increase in provisions	(64)	88
Decrease/(Increase) in debtors	64	(376)
Increase in creditors	673	407
Net cash inflow from operating activities	**1,951**	**887**

The notes on pages 35 to 55 form an integral part of these financial statements.

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2021

1. LEGAL STATUS

Langley House Trust is registered in England and Wales as a Company Limited by Guarantee (No. 7888191), as a charity with the Charity Commission (No. 1146304) and as a Social Housing Provider with the Regulator of Social Housing (No 4693) as defined by the Housing and Regeneration Act 2008. The registered office is 3 & 4 The Square, Mansfield Avenue, Walsgrave, Coventry, CV2 2QJ.

2. PRINCIPAL ACCOUNTING POLICIES

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

Basis of accounting

The financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The accounts are prepared on the historical cost basis of accounting as modified by current asset investments held at valuation and are presented in sterling £.

The Group's financial statements have been prepared in compliance with FRS 102.

As a public benefit entity, Langley House Trust has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS102:

- No cash flow statement has been presented for the parent company,
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole, and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Basis of consolidation

The consolidated financial statements of Langley House Trust incorporates the financial statements of Kainos Community and Clean Sheet under the acquisition accounting basis – see note 24 for more details. On the 1st August 2013 the incorporated Langley House Trust became the sole corporate trustee of Langley House Trust (charity number 290059) which transferred its activities to the incorporated Langley House Trust.

Going concern

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis. The impact of the worldwide COVID-19 pandemic has been significant in some areas of the Charity and less impactful in others. Whilst there may be uncertainty of the full impact of the COVID-19 virus we do not believe that this will have a material adverse effect on the Charity's financial condition or liquidity.

Turnover

Turnover comprises rental income, service charge income, income from contracts with statutory bodies, including Supporting People Block contracts and care fee income, Ministry of Justice contract, other revenue grants and income from the sale of other goods and services. Such income is recorded in the accounts as it becomes receivable.

The turnover of the Trust also includes legacies, donations, gifts and other income, the accounting treatment of which is included in separate accounting policies.

Supporting People income and expenditure

The Trust operates a number of Supporting People Block contracts. The income from these contracts is recognised in the Statement of Comprehensive Income in the year in which it is receivable and expenditure charged to it in accordance with the matching concept.

Legacies

Legacies are credited as income where the legacy has been received or if, before receipt, where there was sufficient evidence to provide the necessary certainty that the legacy would be received and its value known with sufficient reliability.

Donations, gifts and other income

Donations, gifts and other income are credited as income in the year in which they were receivable..

Operating leases

Amounts due under operating leases are charged to the income and expenditure account as incurred.

Pensions

Contributions made by the Trust into pension schemes on behalf of employees are recognised within operating costs in the income and expenditure account for the period to which it relates.

Employee Benefits

A liability is recognised to the extent of any employee benefits including unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted cost to the employees of the future holiday entitlement and accrued at the statement of financial position date.

Taxation

Parts of the group charge value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. Income is shown in the accounts net of any VAT charged. Expenditure is shown in the accounts inclusive of VAT less the value of any VAT recoverable from HM Revenue and Customs. The balance of any VAT payable or recoverable is included as a current liability or asset in the Statement of Financial Position.

Fixed assets

Valuation of housing properties

The Trust operates many of its services from properties it either owns or leases in which living accommodation is provided for clients. Housing properties are included in the accounts at cost less depreciation, unless impairment has occurred or the properties have been transferred from another Registered Provider or charity.

A housing property comprises of several components with substantially different useful economic lives. Each major component is accounted for separately and depreciated over its individual useful economic life as set out in the Fixed Assets section above. Land is treated as a separate asset and not depreciated.
The cost of acquiring land and buildings, including professional fees, and development costs are included in the costs.

Depreciation and impairment of fixed assets, including housing properties

Freehold land is not depreciated. Depreciation on all other assets is calculated to write off the cost of fixed assets on a straight line basis over their estimated useful economic lives.

Fixed assets are depreciated on a straight line basis by equal instalments over their useful economic lives at the following annual rates:

Freehold properties (excluding land):

	Useful economic life	Depreciation rate
Pitched roofs	50 years	2%
Flat roofs	20 years	5%
Windows and external doors	25 years	4%
Heating	20 years	5%
Electrical	25 years	4%
Bathrooms	25 years	4%
Kitchens	20 years	5%
Lifts	10 years	10%
Structure	50 years	2%
Plant and equipment	5 years	20%
Computers	4 years	25%
Motor vehicles	4 years	25%

Leasehold properties are depreciated by equal instalments over the life of the lease or their estimated useful economic life if shorter.

The carrying values of tangible assets are reviewed for impairment where events or changes in circumstances indicate that the carrying values may not be recoverable.

Works to existing housing properties

Expenditure which results in an enhancement of the economic benefits of a property, the creation of a new property component or the replacement of a component that has been treated separately for depreciation purposes is capitalised. In all other instances expenditure on existing properties is charged to the income and expenditure account. This includes expenditure incurred to ensure that the property

can maintain its expected level of net rental income or the standard of performance anticipated when the asset was first acquired or constructed or last replaced.
An enhancement of the economic benefits means an increase in the rental stream, a reduction in future maintenance costs or a significant extension of the life of the property.

Social Housing and Government Grants (SHG)

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Non-monetary government grants

On disposal assets for which non-monetary government grants are held as liabilities in the Statement of Financial Position, the unamortised amount in creditors is derecognised and recognised as income in the Statement of Comprehensive Income.

Investments

Investments are stated at market value.

The Investments held have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are re-measured to market value at each statement of financial position date. Gains and losses on re-measurement are recognised in the Statement of Comprehensive Income for the period.

Provisions

The use of provisions is restricted to situations where a liability exists, for example arising under a contract, but where there is some uncertainty as to the timing of the amount of the expenditure or the identity of the creditor.

Restricted reserves

Grants and donations received which have restrictions as to their use are included in restricted reserves. The value of the reserve shown in the balance sheet is shown net of any transfers to the general revenue reserve in respect of expenditure to be financed by the restricted reserve.

Revenue reserves

Due to the ever changing nature of policy, funding streams and risk, Trustees are of the view that not every risk and impact can be envisaged.

The Trust's reserves policy has identified that a contingency equivalent to twelve weeks' operating expenditure needs to be maintained in order to cover identifiable and quantified risk and to allow the Trust sufficient time to be able to restructure its operations minimising the disruption to clients.

Financial instruments held by the Group are classified as follows:

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for at amortised historic cost.

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses reported in surplus or deficit. The Group has no non-basic financial instruments at the year end.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

a) **Categorisation of housing properties:**
The Trust has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Trust has considered if the asset is held for social benefit or to earn commercial rentals.

b) **Impairment:**
The Trust has identified a cash generating unit for impairment assessment purposes at a property scheme level. Consideration has been given and no impairment has arisen as a result of the continued impact of COVID 19.

Other key sources of estimation and assumptions:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS / (DEFICIT)

GROUP	Turnover	Operating costs	2021 Gain/(loss) on disposal of property, plant and equipment	Operating Surplus/ (deficit)
	£000	£000	£000	£000
Social Housing Lettings(Note 5)	4,791	5,131	-	(340)
Other social housing activities				
Supporting People	512	505	-	7
Activities other than social Housing				
Care and spot funding	7,313	6,735	-	578
Ministry of Justice	1,426	1,156	-	270
Other government contracts	865	785	-	80
Voluntary Income	372	128	-	244
Prison Services	155	101	-	54
Other	282	324	-	(42)
Income for generating funds	38	19	-	19
Gain on disposal of property, plant and equipment	-	-	6	6
	15,754	**14,884**	**6**	**876**

LHT	Turnover	Operating costs	2021 Gain/(loss) on disposal of property, plant and equipment	Operating Surplus/ (deficit)
	£000	£000	£000	£000
Social Housing Lettings(Note 5)	4,791	5,131	-	(340)
Other social housing activities				
Supporting People	512	505	-	7
Activities other than social Housing				
Care and spot funding	7,313	6,736	-	577
Ministry of Justice	1,426	1,157	-	269
Other government contracts	865	786	-	79
Voluntary Income	316	128	-	188
Other	251	272	-	(21)
Income for generating funds	38	19	-	19
Gain on disposal of property, plant and equipment	-	-	6	6
	15,512	**14,734**	**6**	**784**

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS / (DEFICIT)

GROUP	Turnover	Operating costs	2020 Gain/(loss) on disposal of property, plant and equipment	Operating Surplus/ (deficit)
	£000	£000	£000	£000
Social Housing Lettings(Note 5)	4,459	4,786	-	(327)
Other social housing activities				
Supporting People	534	528	-	6
Activities other than social Housing				
Care and spot funding	6,327	5,949	-	378
Ministry of Justice	1,426	1,112	-	314
Other government contracts	408	395	-	13
Voluntary Income	209	184	-	25
Prison Services	144	89	-	55
Other	30	141	-	(111)
Income for generating funds	35	25	-	10
Gain/(loss) on disposal of property, plant and equipment	-	-	424	424
	13,572	13,209	424	787

LHT	Turnover	Operating costs	2020 Gain/(loss) on disposal of property, plant and equipment	Operating Surplus/ (deficit)
	£000	£000	£000	£000
Social Housing Lettings(Note 5)	4,460	4,767	-	(307)
Other social housing activities				
Supporting People	534	528	-	6
Activities other than social Housing				
Care and spot funding	6,327	5,949	-	378
Ministry of Justice	1,426	1,112	-	314
Other government contracts	408	395	-	13
Voluntary Income	220	184	-	36
Other	20	196	-	(176)
Income for generating funds	35	25	-	10
Gain/(loss) on disposal of property, plant and equipment	-	-	424	424
	13,430	13,156	424	698

4. UNITS/BED SPACES - GROUP

	Social Housing Lettings		Other Social Housing		Total
	Supported Housing	Care Homes	Registered Care Beds	General Needs	
Social Housing					
At 31 March 2020	383	-	79	-	462
At 31 March 2021	**390**	**-**	**90**	**-**	**480**

	2021	2020
Non-social Housing		
Under management at start of year	**3**	1
Under management at end of year	**3**	3

The Trust also owns 43 units (2020: 43 units) of accommodation managed by a third party. As the rights and obligations of the scheme have been transferred to the managing organisation, these units are not included in these accounts.

5. TURNOVER AND OPERATING EXPENDITURE

a. GROUP	Supported housing 2021	Care Homes 2021	TOTAL 2021	*TOTAL 2020*
INCOME	**£000**	**£000**	**£000**	*£000*
Rents receivable	2,431	33	2,464	*2,153*
Service income	2,212	33	2,245	*2,224*
Amortised government grants	65	17	82	*82*
Other grants	-	-	-	-
Turnover from Social Housing Lettings	**4,708**	**83**	**4,791**	*4,459*
EXPENDITURE				
Management	2,230	36	2,266	*2,171*
Services	1,970	26	1,996	*1,751*
Routine maintenance	321	11	332	*296*
Planned maintenance	114	19	133	*106*
Major repairs expenditure				-
Bad debts	203	-	203	*242*
Loss on disposal of components				-
Depreciation of Housing Properties	194	7	201	*220*
Operating costs on Social Housing Lettings	**5,032**	**99**	**5,131**	*4,786*
OPERATING (DEFICIT) /SURPLUS ON SOCIAL HOUSING LETTINGS ACTIVITIES	(324)	(16)	**(340)**	*(327)*
Void losses	(745)	(13)	**(758)**	*(672)*

5. TURNOVER AND OPERATING EXPENDITURE

b. LHT	Supported housing	Care Homes	TOTAL	*TOTAL*
	2021	**2021**	**2021**	*2020*
INCOME	**£000**	**£000**	**£000**	*£000*
Rents receivable	2,431	33	2,464	*2,154*
Service income	2,212	33	2,245	*2,224*
Amortised government grants	65	17	82	*82*
Turnover from Social Housing Lettings	**4,708**	**83**	**4,791**	*4,460*
EXPENDITURE				
Management	2,230	36	2,266	*2,170*
Services	1,970	26	1,996	*1,733*
Routine maintenance	321	11	332	*296*
Planned maintenance	114	19	133	*106*
Major repairs expenditure				-
Bad debts	203	-	203	*242*
Loss on disposal of components				
Depreciation of Housing Properties	194	7	201	*220*
Operating costs on Social Housing Lettings	**5,032**	**99**	**5,131**	*4,767*
OPERATING (DEFICIT) /SURPLUS ON SOCIAL HOUSING LETTINGS ACTIVITIES	(324)	(16)	**(340)**	*(307)*
Void losses	(745)	(13)	**(758)**	*(672)*

6. OPERATING SURPLUS

Is stated after charging/(crediting):	Group 2021 £000	LHT 2021 £000	*Group 2020 £000*	*LHT 2020 £000*
Depreciation of housing properties	338	338	*370*	*370*
Depreciation of other tangible fixed assets	153	153	*117*	*117*
Operating lease rentals:				
Land and buildings	519	519	*477*	*477*
Office equipment	5	5	*7*	*7*
Auditors remuneration (excluding VAT)				
In their capacity as external auditors	18	14	*17*	*13*
Surplus on sale of other fixed assets	(6)	(6)	*(424)*	*(424)*

7. SURPLUS ON DISPOSAL OF FIXED ASSETS

	Group 2021 £000	LHT 2021 £000	*Group 2020 £000*	*LHT 2020 £000*
Proceeds of sales	6	6	*865*	*865*
Carrying value of fixed assets disposed of during the year	-	-	*(441)*	*(441)*
SURPLUS ON DISPOSAL	**6**	**6**	*424*	*424*

8. INTEREST RECEIVABLE AND OTHER INCOME

	Group 2021 £000	LHT 2021 £000	*Group 2020 £000*	*LHT 2020 £000*
Dividends received on investments	29	29	*32*	*32*
Bank interest	5	5	*15*	*15*
TOTAL	**34**	**34**	*47*	*47*

9. EMPLOYEE INFORMATION

	Group 2021	LHT 2021	Group 2020	LHT 2020
The average number of staff employed during the year, expressed as full time equivalents, (i.e. 35 hours per week) was:	260	249	*232*	*225*

Staff costs	Group 2021 £000	LHT 2021 £000	Group 2020 *£000*	LHT 2020 *£000*
Wages and salaries	6,300	6,035	*5,517*	*5,349*
Social security costs	577	557	*470*	*455*
Other pension costs	275	265	*243*	*237*
Other Employee benefits	76	76	-	-
TOTAL	7,228	6,933	*6,230*	*6,041*

The number of staff whose emoluments plus taxable benefits amounted to over £60,000 during the year was as follows:

	Group 2021	LHT 2021	Group 2020	LHT 2020
£60,000 - £70,000	1	1	-	-
£70,000 - £80,000	1	1	*2*	*2*
£80,000 - £90,000	1	1	-	-
£90,000 - £100,000	-	-	*1*	*1*
£100,000 - £110,000	1	1	-	-

10 PENSION OBLIGATIONS

The Trust contributes to a group personal (defined contribution) pension scheme for those qualifying employees who have chosen to join the scheme.

The Trust has no legal or constructive obligation to pay further contributions if the pension provider does not have sufficient assets to pay all benefits relating to employees' service in current and prior periods. Individual members benefits are determined by reference to contributions paid into the scheme in respect of that member.

The cost of the pension scheme is equal to the contributions payable to the scheme for the accounting period. The cost is recognised within operating costs in income and expenditure account for the period to which it relates.

11 DIRECTORS' EMOLUMENTS

No emoluments were paid to Company Directors in 2021 or 2020 by the Trust. They do receive reimbursement of necessary expenses incurred on behalf of the Trust. In 2021 reimbursement of Directors' expenses totalled £0.4k (2020: £3k).

	Group 2021 £000	**LHT 2021 £000**	*Group 2020 £000*	*LHT 2020 £000*
The aggregate emoluments paid to or receivable by non-executive Directors and former non- executive directors	-	-	-	-
The aggregate emoluments paid to senior officers, including salary, employer's pension contributions and benefits-in-kind	**335**	**335**	*255*	*255*
The emoluments paid to highest paid officer (Chief Executive), including benefits-in-kind but excluding employer's pension contributions	**106**	**106**	*99*	*99*

The Chief Executive was the highest paid officer and is an ordinary member of the pension scheme. The pension scheme is a group personal (defined contribution) pension scheme funded by the employer, with voluntary contributions payable by the employee. No enhanced or special terms apply to the Chief Executive and there are no additional pension arrangements.

Directors (key management personnel) are defined as members of the Board, the Chief Executive and any other person who is a member of the Senior Management Team or its equivalent.

12 TAXATION STATUS

HM Revenue & Customs accepts that Langley House Trust is a charity for tax purposes. The Trust's taxable turnover falls below that required for VAT registration. The Trust has not elected to be taxed.

13 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

GROUP AND LHT

	Completed £000	Under Construction £000	Total £000
COST/VALUATION			
At 1 April	*10,023*	-	*10,023*
Additions	6	70	76
Transfers	-	-	-
Disposals	-	-	-
At 31 March	**10,029**	**70**	**10,099**
DEPRECIATION			
At 1 April	*3,614*	-	*3,614*
Charge for year	338	-	338
Eliminated on Disposals	-	-	-
At 31 March	**3,952**	**-**	**3,952**
NET BOOK VALUE at 31 MARCH 2021	**6,077**	**70**	**6,147**
NET BOOK VALUE at 1 April 2020	*6,409*	-	*6,409*

Housing properties comprise:

	2021 £000	*2020 £000*
Freeholds	5,627	*5,871*
Long Leaseholds	17	*18*
Short Leaseholds	433	*520*
Assets under construction	70	-
	6,147	*6,409*

14 TANGIBLE FIXED ASSETS – OTHER

GROUP AND LHT

	Plant & equip £000	Motor vehicles £000	Total £000
COST/VALUATION			
At 1 April	*666*	*315*	*981*
Additions	142	59	201
Disposals	-	(45)	(45)
At 31 March	808	329	1,137
DEPRECIATION			
At 1 April	*462*	*200*	*662*
Charge for year	108	45	153
Disposals	-	(45)	(45)
At 31 March	570	200	770
NET BOOK VALUE at 31 March 2021	**238**	**129**	**367**
NET BOOK VALUE at 1 April 2020	204	115	319

15 FIXED ASSET INVESTMENT

LHT & Group	**2021 £**	*2020 £*
Market value of investments at start of year	928	*975*
Market value of investment sold during the year	(150)	-
Market value of investments at end of year	**937**	***928***
Gain in value during the year	**159**	*(47)*
Gain recognised in the Statement of Comprehensive Income	159	*(47)*
	159	*(47)*
Historic Cost of Investments	599	*733*

All investments are either unit trusts or fixed term investments with UK banks.

16 DEBTORS

	Group 2021 £000	LHT 2021 £000	*Group 2020 £000*	*LHT 2020 £000*
Amounts falling due within one year:				
Rent arrears	940	940	*874*	*874*
Less: provision for bad debts	(761)	(761)	*(674)*	*(674)*
Non rental arrears	1,081	1,071	*1,144*	*1,126*
Less: provision for bad debts	(123)	(123)	*(217)*	*(217)*
Prepayments and accrued income	359	359	*433*	*431*
Intercompany balance	-	-	-	-
	1,496	**1,486**	*1,560*	*1,540*

17 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £000	LHT 2021 £000	*Group 2020 £000*	*LHT 2020 £000*
Rent credit balances	235	235	*218*	*218*
Non rental credit balances	410	410	*248*	*248*
Trade creditors	207	207	*137*	*136*
Taxation, social security and pension payable	221	204	*169*	*155*
Accruals and deferred income	1,416	1,373	*1,057*	*1,034*
SP contract income received in advance	14	14	*1*	*1*
Deferred capital grant (note 18b)	83	83	*83*	*83*
	2,586	**2,526**	*1,913*	*1,875*

18 (a) CREDITOR: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2021 £000	LHT 2021 £000	*Group 2020 £000*	*LHT 2020 £000*
Deferred capital grant (note 18b)	2,925	2,925	*3,008*	*3,008*
	2,925	**2,925**	***3,008***	***3,008***

18 (b) CREDITOR: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2021 £000	LHT 2021 £000	*Group 2020 £000*	*LHT 2020 £000*
At the start of the year	3,091	3,091	*3,173*	*3,173*
Grant received during the year	-	-	-	-
Released to income in the year	(83)	(83)	*(82)*	*(82)*
Other adjustment	-	-	-	-
At the end of the year	**3,008**	**3,008**	*3,091*	*3,091*
Amount due to be released <1 year	83	83	*83*	*83*
Amount due to be released >1 year	2,925	2,925	*3,008*	*3,008*
	3,008	**3,008**	*3,091*	*3,091*
Total grant received	**4,721**	**4,721**	*4,721*	*4,721*

19 PROVISIONS FOR LIABILITIES AND CHARGES

GROUP AND LHT	2021 £000	*2020 £000*
Opening balance as at 1 April	**100**	*12*
Utilised in the year	(64)	*(12)*
Additional provision	-	*100*
Closing balance as at 31 March	**36**	*100*

20 CAPITAL COMMITMENTS

	Group 2021 £000	LHT 2021 £000	*Group 2020 £000*	*LHT 2020 £000*
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	170	170	-	-
Capital expenditure that has been authorised by Trustees but has not yet been contracted for.	-	-	-	-
	170	**170**	**-**	**-**

The commitments as at 31 March will be financed as follows:

	Group 2021 £000	LHT 2021 £000	*Group 2020 £000*	*LHT 2020 £000*
Revenue reserves of the Trust	170	170	-	-
	170	**170**	**-**	**-**

21 OPERATING LEASES

The Trust holds properties and office equipment under non-cancellable operating leases. At the end of the year the Trust had commitments of future minimum lease payments as follows:

	Group 2021 £000	LHT 2021 £000	*Group 2020 £000*	*LHT 2020 £000*
Land and buildings:				
In one year or more but less than two years	419	419	441	441
In two years or more and less than five years	501	501	772	772
In five years or more	221	221	311	311
Others, which expire:				
In one year or more but less than two years	4	4	4	4
In two years or more and less than five years	9	9	5	5
In five years or more	-	-	-	-

22 CONTINGENT LIABILITIES

There is a difference of £1,712k *(2020 - £1,630k)* from the Social Housing Grant balance that has been recognised in the accounts to the grant that is repayable to Homes England in Note 18. The Statement of Recommended Practice (SORP) Accounting by registered social housing providers Update 2015 states that this amount should be disclosed as a contingent liability in the accounts and the liability will crystallise in the event of the property being sold.

23 RELATED PARTIES

Langley House Trust is the Parent entity in the Group and ultimate controlling party. The Group has taken advantage of the exemption under section 33 FRS 102 not to disclose transactions with wholly owned subsidiary undertakings.

During the year the Trust had the following intra-group transactions with its subsidiaries:

	2021	*2020*
	£000	*£000*
Management charges from subsidiaries	16	*14*
Funding grant provided to subsidiaries	170	*179*

Management Charges

Intra-group management fees are receivable by the Trust from the subsidiaries to cover the running costs the Trust incurs on behalf of managing the subsidiaries and providing services. The management fee is calculated based on an allocated time by staff members providing the following services:

- Housing Management (including arrears & repairs management)
- IT services
- Finance services including purchase ledger and management accounting
- Executive services

Funding grant

During the year the Trust provided funding to one of the subsidiaries.

24 SUBSIDIARY UNDERTAKINGS

The company has four subsidiaries:

1. Langley House Trust is a registered charity (charity number 290059) which transferred assets, liabilities and business to the incorporated Langley House Trust (charity number 1146304) on 1 August 2013. It has been dormant since, and has £10 in its reserves.

2. On 1 October 2013 Langley House Trust acquired, for no consideration, Kainos Community. Kainos Community is a charity which works within prisons delivering services to help rehabilitation.

3. On 1 October 2019 Langley House acquired, for no consideration, Clean Sheet. Clean Sheet is a charity that works to offer people with convictions the hope of a better future by finding sustainable employment.

4. The company's other subsidiary, Accord Community Services Ltd, is a limited company which has been dormant since its incorporation in May 2012.

25 FINANCIAL INSTRUMENTS

a. GROUP

	2021 £000	*2020 £000*
Financial Assets Measured at Amortised Cost:		
Rent and Service Charge Debtors	184	*200*
Other Debtors	958	*927*
Cash and Cash Equivalents	6,036	*4,172*
Total Financial Assets	**7,178**	*5,299*
Financial Liabilities Measured at Amortised Cost:		
Trade Creditors	207	*137*
Other Creditors	2,075	*1,524*
Total Financial Liabilities	**2,282**	*1,661*

a. LHT

	2021 £000	*2020 £000*
Financial Assets Measured at Amortised Cost:		
Rent and Service Charge Debtors	184	*200*
Other Debtors	948	*909*
Cash and Cash Equivalents	5,663	*3,923*
Total Financial Assets	**6,795**	*5,032*
Financial Liabilities Measured at Amortised Cost:		
Trade Creditors	207	*136*
Other Creditors	2,032	*1,501*
Total Financial Liabilities	**2,239**	*1,637*