

**LANGLEY HOUSE TRUST**  
HELPING PEOPLE TO LIVE CRIME-FREE LIVES

# **ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

For the 12 months ended  
31st March 2021

[langleyhoustrust.org](http://langleyhoustrust.org)

Company No. 07888191  
Charity No. 1146304

**Third Sector Awards** Finalist 2017



**NATIONAL HOUSING FEDERATION**



Registered with



**INVESTORS IN PEOPLE** Gold award 2020

**THE INVESTORS IN PEOPLE AWARDS 2020**  
Finalist



**2018 Winner**

**FUNDRAISING REGULATOR**



# 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

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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

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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.

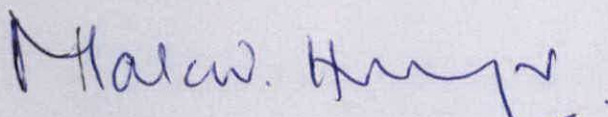
Quality is a hallmark of our service delivery and is such a Board priority that we have created a new Director post this past year to oversee it. Our most recent client survey feedback was strong in the areas pertaining to staff engagement and delivery of services; 85% of clients surveyed advised



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

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## 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,

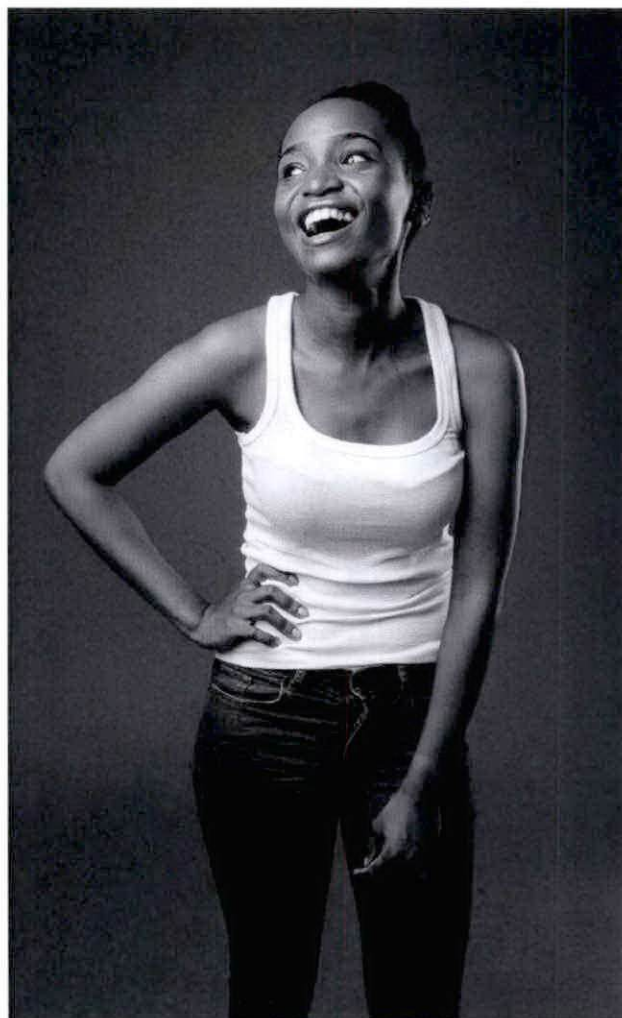
The Tay Charitable Trust, and The Morrison Foundation.

## 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

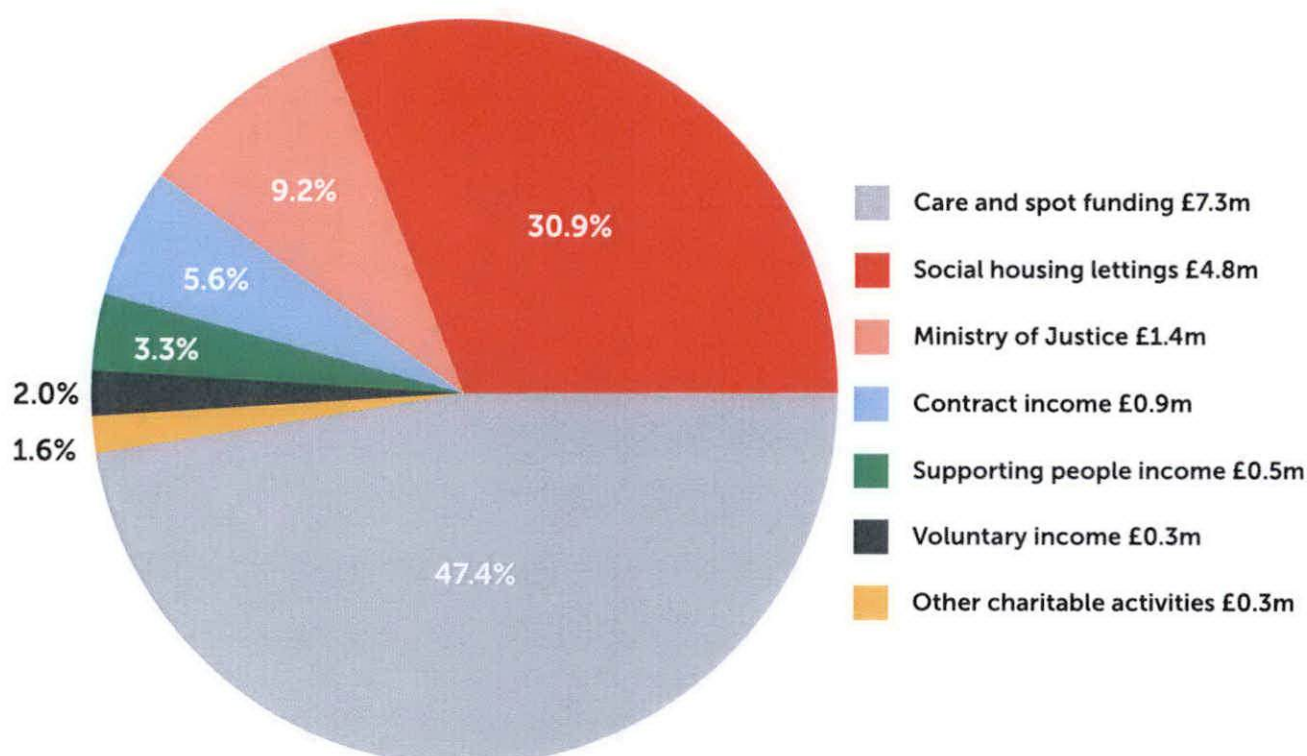
The Trust reported an operating surplus of £778k in 2020/21 (2019/20: surplus £274k). The Trust's policy is to write off all set-up costs at the point of a unit becoming available for occupancy.

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

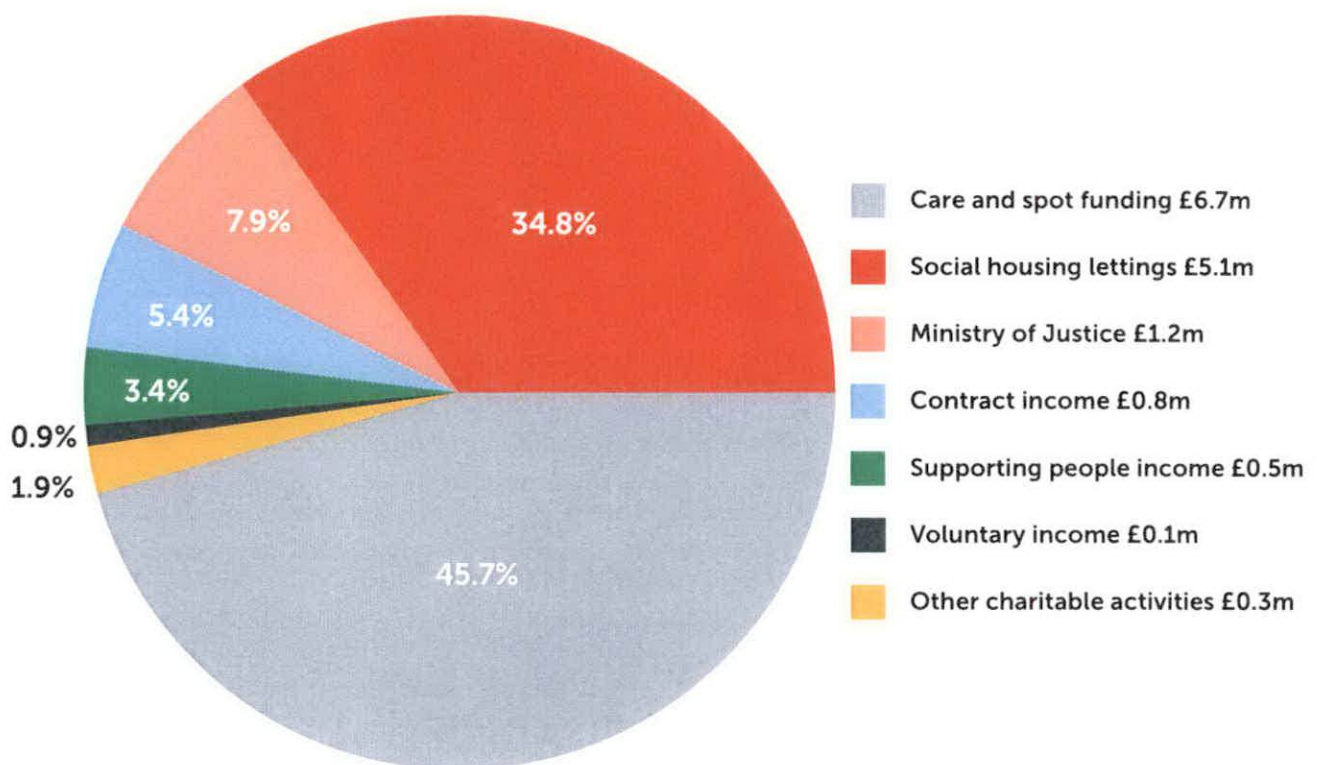
Year	Income	Operating Costs	Operating Surplus	Operating Surplus
	£'000	£'000	£'000	%
2016/17	11,529	11,438	91	0.8
2017/18	12,098	11,924	174	1.4
2018/19	12,299	12,646	(347)	(2.8)
2019/20	13,430	13,156	274	2.0
2020/21	15,512	14,734	778	5.0

These figures have been prepared under FRS 102.

## OPERATING INCOME 2020-21



## OPERATING EXPENDITURE 2020-21

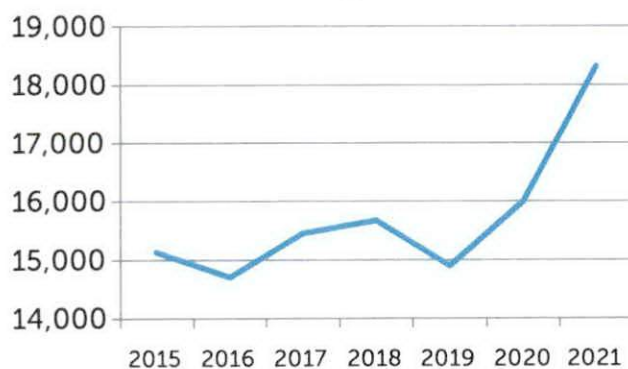


The income of £15.5m (Group: £15.8m) reflects growth across a number of revenue streams, especially care income.

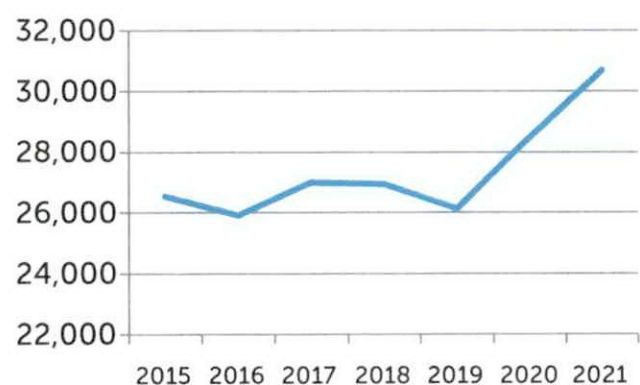
The Trust continues to review services on a project- by-project basis to ensure that delivery is in line with expectations and reflects the funding provided. Net rental income increased by £331k and care and spot funding income increased by £986k.

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	Direction 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:

- 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
- 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

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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:

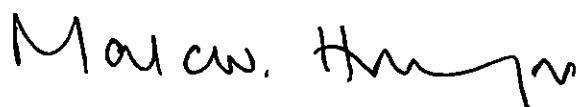
- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Housing SORP 2018 (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures 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 Policies 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](http://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

## **Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2021**

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.

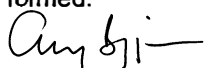
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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



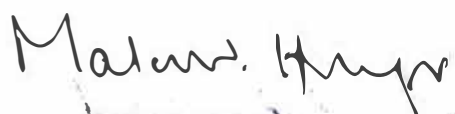
# Langley House Trust

## 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		<b>15,754</b>	<b>15,512</b>	<b>13,572</b>	<b>13,430</b>
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
<b>Operating surplus</b>	<b>3</b>	<b>876</b>	<b>784</b>	<b>787</b>	<b>698</b>
Movement in fair value of investments	15	159	159	(47)	(47)
Interest receivable and other income	8	34	34	47	47
<b>Surplus before tax</b>		<b>1,069</b>	<b>977</b>	<b>787</b>	<b>698</b>
<b>Taxation</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus for the year after tax</b>		<b>1,069</b>	<b>977</b>	<b>787</b>	<b>698</b>
<b>Total comprehensive income for the year</b>		<b>1,069</b>	<b>977</b>	<b>787</b>	<b>698</b>

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  
Chair of the Board



Philip Hilton  
Board Member



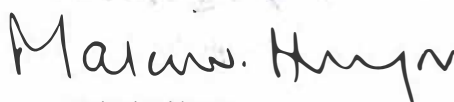
David Wm. Reynolds  
Secretary

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
<b>FIXED ASSETS</b>					
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
<b>Total fixed assets</b>		<b>7,451</b>	<b>7,451</b>	<b>7,656</b>	<b>7,656</b>
<b>CURRENT ASSETS</b>					
Debtors	16	1,496	1,486	1,560	1,540
Cash in hand and at bank		6,036	5,663	4,172	3,923
<b>Total current assets</b>		<b>7,532</b>	<b>7,149</b>	<b>5,732</b>	<b>5,463</b>
Less Creditors: amounts falling due within one year	17	(2,586)	(2,526)	(1,913)	(1,875)
<b>Net current assets</b>		<b>4,946</b>	<b>4,623</b>	<b>3,819</b>	<b>3,588</b>
<b>Total assets less current liabilities</b>		<b>12,397</b>	<b>12,074</b>	<b>11,475</b>	<b>11,244</b>
Creditors: amounts falling due after more than one year	18	2,925	2,925	3,008	3,008
<b>Provisions for liabilities and charges</b>					
Other Provisions	19	36	36	100	100
<b>Total net assets</b>		<b>9,436</b>	<b>9,113</b>	<b>8,367</b>	<b>8,136</b>
<b>Reserves</b>					
Restricted reserves		15	15	82	82
Revenue reserves		9,421	9,098	8,285	8,054
<b>Total capital &amp; reserves</b>		<b>9,436</b>	<b>9,113</b>	<b>8,367</b>	<b>8,136</b>

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. 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	-
<b>Balance as at 31 March 2020</b>	<b>8,285</b>	<b>82</b>	<b>8,367</b>
Surplus for the year	1,069	-	1,069
Transfers from restricted reserves	67	(67)	-
<b>Balance as at 31 March 2021</b>	<b>9,421</b>	<b>15</b>	<b>9,436</b>

**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	-
<b>Balance as at 31 March 2020</b>	<b>8,054</b>	<b>82</b>	<b>8,136</b>
Surplus for the year	977	-	977
Transfers from restricted reserves	67	(67)	-
<b>Balance as at 31 March 2021</b>	<b>9,098</b>	<b>15</b>	<b>9,113</b>

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**

<b>GROUP</b>	<b>Note</b>	<b>2021 £000</b>	<b>2020 £000</b>
<b>Net cash from operating activities</b>	<b>i</b>	<b>1,951</b>	<b>887</b>
<b>Cash flow from investing activities</b>			
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	-
		<u>(121)</u>	<u>469</u>
<b>Cash flow from financing activities</b>			
Interest received		<u>34</u>	<u>47</u>
<b>Net change in cash equivalent</b>		<b>1,864</b>	<b>1,403</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>4,172</b>	<b>2,769</b>
<b>Cash and cash equivalents at the end of the year</b>		<b><u>6,036</u></b>	<b><u>4,172</u></b>
		<b>2021 £000</b>	<b>2020 £000</b>
<b>Note i - reconciliation of net cash flow from operating activities</b>			
<b>Surplus for the year</b>		<b>1,069</b>	<b>787</b>
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
<b>Net cash inflow from operating activities</b>		<b><u>1,951</u></b>	<b><u>887</u></b>

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.

# **Langley House Trust**

## **Notes to the Financial Statements**

### **Year ended 31 March 2021**

#### **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 2021

#### 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

# **Langley House Trust**

## **Notes to the Financial Statements**

### **Year ended 31 March 2021**

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 2021**

#### **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.

**Langley House Trust**  
**Notes to the Financial Statements**  
**Year ended 31 March 2021**

**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
<b>Social Housing Lettings(Note 5)</b>	4,791	5,131	-	(340)
<b>Other social housing activities</b>				
Supporting People	512	505	-	7
<b>Activities other than social Housing</b>				
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
<b>Gain on disposal of property, plant and equipment</b>	-	-	6	6
	<b>15,754</b>	<b>14,884</b>	<b>6</b>	<b>876</b>

LHT	Turnover	Operating costs	2021 Gain/(loss) on disposal of property, plant and equipment	Operating Surplus/ (deficit)
	£000	£000	£000	£000
<b>Social Housing Lettings(Note 5)</b>	4,791	5,131	-	(340)
<b>Other social housing activities</b>				
Supporting People	512	505	-	7
<b>Activities other than social Housing</b>				
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
<b>Gain on disposal of property, plant and equipment</b>	-	-	6	6
	<b>15,512</b>	<b>14,734</b>	<b>6</b>	<b>784</b>



**Langley House Trust**  
**Notes to the Financial Statements**  
**Year ended 31 March 2021**

**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
<b>Social Housing Lettings(Note 5)</b>	4,459	4,786	-	(327)
<b>Other social housing activities</b>				
Supporting People	534	528	-	6
<b>Activities other than social Housing</b>				
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
<b>Gain/(loss) on disposal of property, plant and equipment</b>	-	-	424	424
	<b>13,572</b>	<b>13,209</b>	<b>424</b>	<b>787</b>

LHT	Turnover	Operating costs	2020 Gain/(loss) on disposal of property, plant and equipment	Operating Surplus/ (deficit)
	£000	£000	£000	£000
<b>Social Housing Lettings(Note 5)</b>	4,460	4,767	-	(307)
<b>Other social housing activities</b>				
Supporting People	534	528	-	6
<b>Activities other than social Housing</b>				
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
<b>Gain/(loss) on disposal of property, plant and equipment</b>	-	-	424	424
	<b>13,430</b>	<b>13,156</b>	<b>424</b>	<b>698</b>

**Langley House Trust**  
**Notes to the Financial Statements**  
**Year ended 31 March 2021**

**4. UNITS/BED SPACES - GROUP**

	<b>Social Housing Lettings</b>		<b>Other Social Housing</b>		<b>Total</b>
	<b>Supported Housing</b>	<b>Care Homes</b>	<b>Registered Care Beds</b>	<b>General Needs</b>	
<b>Social Housing</b>					
<i>At 31 March 2020</i>	383	-	79	-	462
<i>At 31 March 2021</i>	390	-	90	-	480
		<b>2021</b>	<b>2020</b>		
<b>Non-social Housing</b>					
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.

**Langley House Trust**  
**Notes to the Financial Statements**  
**Year ended 31 March 2021**

**5. TURNOVER AND OPERATING EXPENDITURE**

<b>a. GROUP</b>	<b>Supported housing</b>	<b>Care Homes</b>	<b>TOTAL</b>	<b>TOTAL</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>INCOME</b>				
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	-	-	-	-
<b>Turnover from Social Housing Lettings</b>	<b>4,708</b>	<b>83</b>	<b>4,791</b>	<b>4,459</b>
<b>EXPENDITURE</b>				
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
<b>Operating costs on Social Housing Lettings</b>	<b>5,032</b>	<b>99</b>	<b>5,131</b>	<b>4,786</b>
<b>OPERATING (DEFICIT) /SURPLUS ON SOCIAL HOUSING LETTINGS ACTIVITIES</b>	<b>(324)</b>	<b>(16)</b>	<b>(340)</b>	<b>(327)</b>
<b>Void losses</b>	<b>(745)</b>	<b>(13)</b>	<b>(758)</b>	<b>(672)</b>



**Langley House Trust**  
**Notes to the Financial Statements**  
**Year ended 31 March 2021**

**5. TURNOVER AND OPERATING EXPENDITURE**

<b>b. LHT</b>	<b>Supported housing</b>	<b>Care Homes</b>	<b>TOTAL</b>	<b>TOTAL</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>INCOME</b>				
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
<b>Turnover from Social Housing Lettings</b>	<b>4,708</b>	<b>83</b>	<b>4,791</b>	<b>4,460</b>
<b>EXPENDITURE</b>				
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
<b>Operating costs on Social Housing Lettings</b>	<b>5,032</b>	<b>99</b>	<b>5,131</b>	<b>4,767</b>
<b>OPERATING (DEFICIT) /SURPLUS ON SOCIAL HOUSING LETTINGS ACTIVITIES</b>	<b>(324)</b>	<b>(16)</b>	<b>(340)</b>	<b>(307)</b>
<b>Void losses</b>	<b>(745)</b>	<b>(13)</b>	<b>(758)</b>	<b>(672)</b>

**Langley House Trust**  
**Notes to the Financial Statements**  
**Year ended 31 March 2021**

**6. OPERATING SURPLUS**

	<b>Group</b>	<b>LHT</b>	<b>Group</b>	<b>LHT</b>
Is stated after charging/(crediting):	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
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**

	<b>Group</b>	<b>LHT</b>	<b>Group</b>	<b>LHT</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Proceeds of sales	6	6	865	865
Carrying value of fixed assets disposed of during the year	-	-	(441)	(441)
<b>SURPLUS ON DISPOSAL</b>	<b>6</b>	<b>6</b>	<b>424</b>	<b>424</b>

**Langley House Trust**  
**Notes to the Financial Statements**  
**Year ended 31 March 2021**

**8. INTEREST RECEIVABLE AND OTHER INCOME**

	<b>Group 2021 £000</b>	<b>LHT 2021 £000</b>	<b>Group 2020 £000</b>	<b>LHT 2020 £000</b>
Dividends received on investments	29	29	32	32
Bank interest	5	5	15	15
<b>TOTAL</b>	<b>34</b>	<b>34</b>	<b>47</b>	<b>47</b>

**9. EMPLOYEE INFORMATION**

	<b>Group 2021</b>	<b>LHT 2021</b>	<b>Group 2020</b>	<b>LHT 2020</b>
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
<b>Staff costs</b>	<b>Group 2021 £000</b>	<b>LHT 2021 £000</b>	<b>Group 2020 £000</b>	<b>LHT 2020 £000</b>
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	-	-
<b>TOTAL</b>	<b>7,228</b>	<b>6,933</b>	<b>6,230</b>	<b>6,041</b>

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

	<b>Group 2021</b>	<b>LHT 2021</b>	<b>Group 2020</b>	<b>LHT 2020</b>
£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	-	-



# Langley House Trust

## Notes to the Financial Statements

### Year ended 31 March 2021

#### 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).

	<b>Group 2021 £000</b>	<b>LHT 2021 £000</b>	<i>Group 2020 £000</i>	<i>LHT 2020 £000</i>
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	<b>335</b>	<b>335</b>	<i>255</i>	<i>255</i>
The emoluments paid to highest paid officer (Chief Executive), including benefits-in-kind but excluding employer's pension contributions	<b>106</b>	<b>106</b>	<i>99</i>	<i>99</i>

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.

**Langley House Trust**  
**Notes to the Financial Statements**  
**Year ended 31 March 2021**

**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
<b>COST/VALUATION</b>			
At 1 April	10,023	-	10,023
Additions	6	70	76
Transfers	-	-	-
Disposals	-	-	-
At 31 March	<u>10,029</u>	<u>70</u>	<u>10,099</u>

**DEPRECIATION**

At 1 April	3,614	-	3,614
Charge for year	338	-	338
Eliminated on Disposals	-	-	-
At 31 March	<u>3,952</u>	<u>-</u>	<u>3,952</u>

**NET BOOK VALUE at 31 MARCH  
2021**

<u>6,077</u>	<u>70</u>	<u>6,147</u>
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**NET BOOK VALUE at 1 April 2020**

<u>6,409</u>	<u>-</u>	<u>6,409</u>
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**Housing properties comprise:**

	2021 £000	2020 £000
Freeholds	5,627	5,871
Long Leaseholds	17	18
Short Leaseholds	433	520
Assets under construction	70	-
	<u>6,147</u>	<u>6,409</u>

**Langley House Trust**  
**Notes to the Financial Statements**  
**Year ended 31 March 2021**

**14 TANGIBLE FIXED ASSETS – OTHER**

**GROUP AND LHT**

	Plant & equip £000	Motor vehicles £000	Total £000
<b>COST/VALUATION</b>			
At 1 April	666	315	981
Additions	142	59	201
Disposals	-	(45)	(45)
At 31 March	<u>808</u>	<u>329</u>	<u>1,137</u>
<b>DEPRECIATION</b>			
At 1 April	462	200	662
Charge for year	108	45	153
Disposals	-	(45)	(45)
At 31 March	<u>570</u>	<u>200</u>	<u>770</u>
<b>NET BOOK VALUE at 31 March 2021</b>	<u><u>238</u></u>	<u><u>129</u></u>	<u><u>367</u></u>
<b>NET BOOK VALUE at 1 April 2020</b>	<u><u>204</u></u>	<u><u>115</u></u>	<u><u>319</u></u>

**15 FIXED ASSET INVESTMENT**

<b>LHT &amp; Group</b>	<b>2021</b>	<b>2020</b>
	£	£
Market value of investments at start of year	928	975
Market value of investment sold during the year	(150)	-
<b>Market value of investments at end of year</b>	<u><b>937</b></u>	<u><b>928</b></u>
Gain in value during the year	<u><b>159</b></u>	<u><b>(47)</b></u>
 Gain recognised in the Statement of Comprehensive Income	 <u><u>159</u></u>	 <u><u>(47)</u></u>
 Historic Cost of Investments	 599	 733

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 2021**

**16 DEBTORS**

	<b>Group</b>	<b>LHT</b>	<b>Group</b>	<b>LHT</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
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	-	-	-	-
	<b>1,496</b>	<b>1,486</b>	<b>1,560</b>	<b>1,540</b>

**17 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>	<b>LHT</b>	<b>Group</b>	<b>LHT</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
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
	<b>2,586</b>	<b>2,526</b>	<b>1,913</b>	<b>1,875</b>

**18 (a) CREDITOR: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>	<b>LHT</b>	<b>Group</b>	<b>LHT</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Deferred capital grant (note 18b)	2,925	2,925	3,008	3,008
	<b>2,925</b>	<b>2,925</b>	<b>3,008</b>	<b>3,008</b>

**Langley House Trust**  
**Notes to the Financial Statements**  
**Year ended 31 March 2021**

**18 (b) CREDITOR: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group 2021 £000</b>	<b>LHT 2021 £000</b>	<b>Group 2020 £000</b>	<b>LHT 2020 £000</b>
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	<b>3,008</b>	<b>3,008</b>	<b>3,091</b>	<b>3,091</b>
Amount due to be released <1 year	83	83	83	83
Amount due to be released >1 year	<b>2,925</b>	<b>2,925</b>	<b>3,008</b>	<b>3,008</b>
	<b>3,008</b>	<b>3,008</b>	<b>3,091</b>	<b>3,091</b>
Total grant received	<b>4,721</b>	<b>4,721</b>	<b>4,721</b>	<b>4,721</b>

**19 PROVISIONS FOR LIABILITIES AND CHARGES**

<b>GROUP AND LHT</b>	<b>2021 £000</b>	<b>2020 £000</b>
Opening balance as at 1 April	100	12
Utilised in the year	(64)	(12)
Additional provision	-	100
Closing balance as at 31 March	<b>36</b>	<b>100</b>

**Langley House Trust**  
**Notes to the Financial Statements**  
**Year ended 31 March 2021**

**20 CAPITAL COMMITMENTS**

	<b>Group 2021 £000</b>	<b>LHT 2021 £000</b>	<b>Group 2020 £000</b>	<b>LHT 2020 £000</b>
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.	-	-	-	-
	<b>170</b>	<b>170</b>	<b>-</b>	<b>-</b>

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

	<b>Group 2021 £000</b>	<b>LHT 2021 £000</b>	<b>Group 2020 £000</b>	<b>LHT 2020 £000</b>
Revenue reserves of the Trust	170	170	-	-
	<b>170</b>	<b>170</b>	<b>-</b>	<b>-</b>

**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:

	<b>Group 2021 £000</b>	<b>LHT 2021 £000</b>	<b>Group 2020 £000</b>	<b>LHT 2020 £000</b>
<b>Land and buildings:</b>				
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
<b>Others, which expire:</b>				
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	-	-	-	-

**Langley House Trust**  
**Notes to the Financial Statements**  
**Year ended 31 March 2021**

**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:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
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.



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**Langley House Trust**  
**Notes to the Financial Statements**  
**Year ended 31 March 2021**

**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.

**Langley House Trust**  
**Notes to the Financial Statements**  
**Year ended 31 March 2021**

**25 FINANCIAL INSTRUMENTS**

**a. GROUP**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
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
<b>Total Financial Assets</b>	<b>7,178</b>	<b>5,299</b>
Financial Liabilities Measured at Amortised Cost:		
Trade Creditors	207	137
Other Creditors	2,075	1,524
<b>Total Financial Liabilities</b>	<b>2,282</b>	<b>1,661</b>

**a. LHT**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
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
<b>Total Financial Assets</b>	<b>6,795</b>	<b>5,032</b>
Financial Liabilities Measured at Amortised Cost:		
Trade Creditors	207	136
Other Creditors	2,032	1,501
<b>Total Financial Liabilities</b>	<b>2,239</b>	<b>1,637</b>