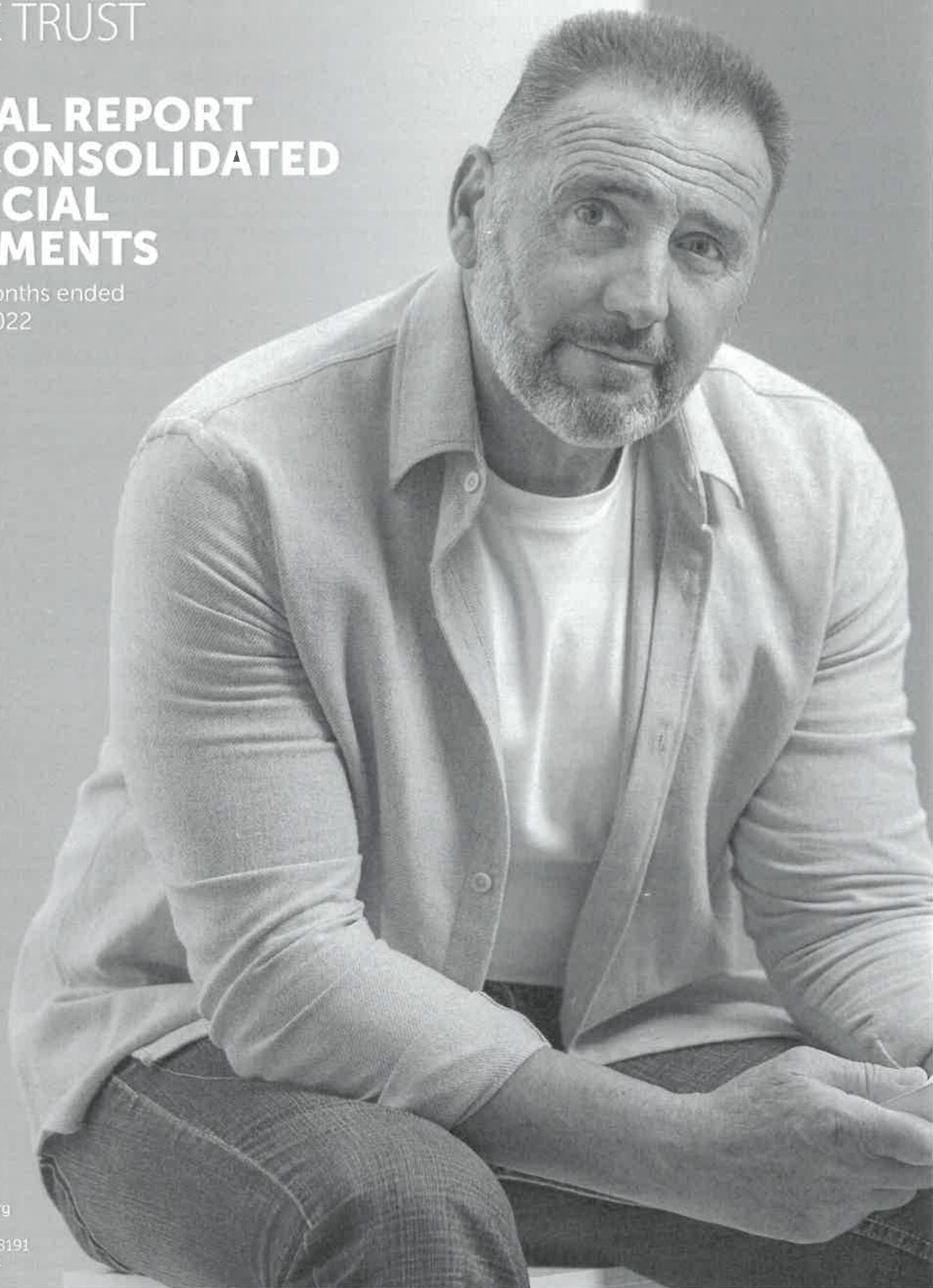


LANGLEY HOUSE TRUST

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the 12 months ended
31st March 2022



langleyhousetrust.org

Company No. 07888191
Charity No. 1146304



Key Individuals

PATRONS

The Rt Rev. and Rt Hon. the Lord Williams of Oystermouth

The Lord Ramsbotham GCB CBE

Mr Jonathan Aitken

AMBASSADORS

Ademola Oshodi

Professor Chris Lewis

FELLOWS

Mrs Elfrida Calvocoressi SRN, SCM

Mr Colin Honey

Mr Anthony Howlett-Bolton BA (Hons), FCMI, FSYI

Mr David Lane

Mr Tony Pearson CBE, BA (Hons), DPSA

TRUSTEE BOARD MEMBERS*

Chair

Malcolm Hayes BSc (Hons) F.I. Chem.E, FCII, C.Eng. C.dip A.F (until 11th June 2022)

Ruth Williams R.N. DipN (Lon), MSc (from 12th June 2022)

Vice Chair (Development)

Ruth Williams R.N. DipN (Lon), MSc (until 11th June 2022)

Other Trustees

Andrew Newell MBA, FCIB

Philip Hilton, MA (Cantab) PhD (until 21st October 2021)

Michael Maiden BA, DMS

Sandra Keene CBE, BSc, DSW, CQSW

Amanda Coyle MSc, MBA, TksA

Stephen Cooper ACIB

Stephen Lawes BA, ACA

Folasade Odupelu PGDip, MCIPD, MSc

Linda Faith Trew PGDip, CIOF (Cert)

Co-opted Members of the Board

Lynn Weston BA (Hons) (from 26th January, 2022)

Richard Montgomery MBA, BSc (from 26th January, 2022)

EXECUTIVE DIRECTORS

Chief Executive

Tracy Wild MA Bsc (Hons), PgC, CIH

Corporate Services Director

David Wm. Reynolds FCMA, CGMA (until 31st December 2021)

Director of People

Olukemi Jeboda, Chartered FCIPD, MBA, MSc (appointed from 1st March 2022)

Director of Finance and Business Services

Simon Herbert ACA (appointed from 1st April, 2022)

Corporate Operations Director

Chris Metcalfe

Corporate Director-Quality and Compliance

Stella Wint

National Chaplain

Rev. Andy Rider MA, BTH

COMPANY SECRETARY

David Wm. Reynolds FCMA, CGMA (until 31st October 2021)

Richard Floy BSc, FCCA (from 1st November 2021 to 31st March 2022)
Simon Herbert ACA (from 1st April 2022)

REGISTERED OFFICE

3-4 The Square, Manfield Avenue, Coventry, CV2 2QJ

REGISTERED NUMBERS

Registered Company number: 07888191

Registered Charity number: 1146304

Registered Social Housing Provider number: 4693

PRINCIPAL ADVISORS

External Statutory Auditors - Crowe U.K. LLP

4th Floor, St James House, St James' Square, Cheltenham, GL50 3PR

Bankers

Bank of Scotland, 33 Old Broad Street, London, BX2 1LB

Solicitors

Blake Morgan, Seacourt Tower West Way, Oxford, OX2 0FB

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

Chair's Review

As I look back over the past year at Langley I am struck by both the extent of change our staff and clients have endured and at the other extreme, the considerable aspects of our work and the way in which we deliver services that have remained unchanged.

Change has been thrust upon us at every turn by the pandemic and at times weekly adjustments to government guidance which has had an enormous impact on our people. Delivering safe services has continued to mark us out as different to many in this sector and once again I am in awe of the calibre of our staff here at Langley. Our people are resilient and fiercely committed to caring for our clients, whether in care services, supported housing or through the provision of finance, benefit and debt as well as accommodation advice. Clients who find themselves being looked after by a Langley member of staff cannot help but notice the difference and I am proud to say that the outcomes we deliver demonstrate the effectiveness of that care as well.

This past year has seen changes to the way we have structured our executive team as we have introduced the People Directorate and Chaplaincy Directorate, recognising the need to respond to these growth areas within our business and ensure appropriate leadership within these specialisms. We have expanded our reach with the introduction of our Shaw Trust partnership across 7 activity hubs, where finance, benefit and debt services and accommodation advice are delivered within easy reach of the client. We have made the decision to purchase a new care home and ring-fenced the money to do so, and we have opened our doors at Box Tree Cottage to the provision of a new service, an

Independent Approved Premises (IAP) which we are delivering on behalf of Her Majesty's Prison and Probation Service (HMPPS). For HMPPS this represents the first new male AP in over 30 years and I am absolutely delighted that the delivery sits within Langley House Trust.

There is a lot of confidence in Langley and as I reach the end of my tenure as Chair of the Board of Trustees in June this year I am proud to be handing over the reins at such a time as this: it is a time where strategic partners are engaging strongly with us and where we need more bed spaces for care clients because we are oversubscribed. Our ongoing response to the pandemic has been consistent and remarkable, and I am confident, as is the Board, that we have learned how to navigate our way through the rise and fall of Covid, which may well continue for some time yet. Our staff are adaptable and continue to take responsibility for their own safety and that of their colleagues and clients – I am immensely grateful.

Our values remain at the heart of Langley, are part of our legacy and keep us anchored to what matters most. We have developed a stronger, clearer voice in the Equality, Diversity, and Inclusion space, which is valued by clients and staff alike, and well supported by our Communications and Chaplaincy teams. I have seen examples of real organisational culture being developed and championed by Langley this year, through our engagement with staff, the online carol service and a greater presence on social media. Within our services too I can see evidence of clients and staff being offered opportunities to learn about and reflect on range of EDI topics as well as faith-based matters, all of which help them to grow.

I am committed to seeing Langley continue to improve as an employer of choice and the opportunity to be re-assessed for Investors in People Gold this year is testimony to the strength of our organisation. Langley continues to feature as finalist in a range of external awards and our staff survey, probably the most important benchmark of all, gave us good feedback last year.

There is so much to be thankful for and I am deeply grateful to God for His favour and kindness to this organisation. As we continue to genuinely put Him at the heart of it, I am confident Langley will thrive and continue to have all that it needs to serve the clients who need our support and care for many years to come.

Malcolm Hayes

Chair of the Board (until 11th June, 2022)
13th July 2022

I am delighted to be assuming the reins as Chair of Langley House Trust's Board of Trustees. This Annual Report shows the good health of our organisation, and I am thrilled to be leading Langley House Trust and Kainos as we come out of the restrictions of the pandemic. I look forward to building on the strength of all that is described in this Annual Report, and appreciate the experienced team I have around me.



Ruth Williams

Chair of the Board (from 11th June, 2022)
13th July 2022



Strategic Report

ABOUT US

Langley House Trust is an innovative Christian charity that provides specialist housing, programmes and support services in the community for offenders seeking to live crime-free. Since 1958 we have earned an enviable reputation for reducing offending with proven results.

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

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

Kainos Community – which delivers a Ministry of Justice accredited programme called Challenge to Change, currently delivered at HMP Lancaster Farms.

Clean Sheet – which offers people with convictions the hope of a better future by finding sustainable employment.

Langley House Trust worked with 653 clients who needed accommodation during 2021/22 and has a reconviction rate of less than 3% for those in our housing.

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

MAPPA (Multi-Agency Public Protection Arrangements).

OVERARCHING VISION

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

MISSION STATEMENT

The mission statement for Langley House Trust was last reviewed in 2018/19 to ensure it continues to be relevant. It states: 'As a Christian organisation we support people, who have offended, or are at risk of offending, so they reintegrate into society, live crime-free and thrive.'

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

The accommodation we provide to those, who have offended or who are at risk of offending, is located in 21 geographical locations in both urban and rural settings. The accommodation includes hostels, dispersed supported housing, registered care homes and dispersed accommodation with extra care provision. During 2021/22 we worked with Her Majesty's Prison and Probation Service (HMPPS) to secure a contract to provide accommodation and support through an Independent Approved Premises (IAP), which opened in April 2022.

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

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

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

Our registered care homes provide placements for individuals coming from medium secure units, who require step-down services and are under mental health sections (e.g. section 41 or section 117). Each placement is individually assessed to ensure that individuals receive the correct care and support they require, which is responsive to changing needs.

ADVICE AND REHABILITATION IN PRISON

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

ADVICE AND REHABILITATION IN THE COMMUNITY

This year saw the extension of accommodation and debt advice services through 7 national Activity Hubs as we were successful in our bid to deliver work on behalf of Shaw Trust.

KAINOS COMMUNITY

Through Kainos Community we deliver Challenge to Change, an accredited prison wing community programme. Challenge to Change incorporates cognitive behaviour therapy and a therapeutic community

environment in which participants live 24 hours a day, seven days a week for six months. The programme is based on the principles of forgiveness, accountability and restoration, challenging participants to examine their thinking, attitudes and behaviour in order to live crime-free on release.

Covid presented a number of challenges to the delivery of Challenge to Change, including lockdown and participants' self-isolation periods to manage positive cases. Despite these obstacles, the team successfully engaged 40 participants and saw 5 graduate during 2021-22.

CLEAN SHEET

Clean Sheet became part of The Langley Group in 2019 and its aim is to help people with convictions (their Members) to find employment, thereby creating social change and a safer society. They do this by providing a tailored employment support service, working with Clean Sheet Members for as long as it takes for them to find work. In 2021/22, Clean Sheet helped over 280 Members to find employment or training, a 40% increase on the previous financial year. This was no small feat particularly as the country was still recovering from the Covid-19 pandemic.

Clean Sheet delivers its work collaboratively, accepting referrals from organisations in the community supporting people with convictions and working in partnership with businesses to look beyond the stereotype and consider applications based on merit skills and experience.

Clean Sheet's funding comes from a range of sources: investment from Langley House Trust Group, prisons, community partnerships,

grant funding, employers' contributions and supporter donations.

LANGLEY HOUSE TRUST APPROACH

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

Our approach is:

- **Person-centred** – with a focus on recovery and independence. Care and support is shaped around the distinct needs and aspirations of each person. We support people to live as independently as possible, develop living and financial skills, access training, education and employment opportunities and participate in local community life.
- **Respectful of privacy and dignity** – we take the privacy and dignity of our clients seriously. We empower people to make their own choices wherever possible.
- **Risk-management focused** – our risk assessments and risk management plans are comprehensive and responsive to changing risks and needs. We work in close partnership with stakeholders involved in the supervision of clients including the National Probation Service. Safeguarding is of primary importance and we have comprehensive policies and procedures in place in relation to both the safeguarding of vulnerable adults and children.
- **Committed to partnership working** – in addition to working with statutory agencies to manage risk, we also work with education and training providers, voluntary organisations, businesses and faith groups to provide volunteering, education, training and employment opportunities for our clients. We are committed to working in partnership to maximise resources, share good practice and ensure best possible outcomes are achieved.
- **Responsive to client input** – creating ownership and autonomy. Our National Consultative Group provides a forum for clients to meet with senior staff and Trustees. The National Consultative Group meets three times a year and agendas include reviewing policies and procedures and discussing topical subjects that affect their everyday lives. We have a range of formal and informal feedback options including an annual satisfaction survey, comment cards and client forums (regional and national). All formal feedback is monitored and used to improve services at a local and national level. Although we engage clients in Kainos Community, the prison-based clients have limited abilities to engage outside of their programme team.
- **Focused on Equality, Diversity and Inclusion** – our Equality and Diversity Policy covers all nine of the protected characteristics recognised by the Equality Act 2010. During the year we have developed an Equality, Diversity and Inclusion (EDI) calendar, approved by our Steering Group, and strengthened the Group's focus on the strands of our E,D & I framework, drawing attention to particular themes each month.

GROUP PERFORMANCE

Langley House Trust's Registered Care Bed spaces remained static during 2021/22 at 100. As planned, the Supported

Housing bed spaces remained at 408 for the majority of the year, with planned reductions being phased in towards the end of 2021/22; this enabled the transition of Box Tree Cottage into an IAP, and improvements to the quality of our offer at Tekoa.

Since 2017 income has also grown by £4.0m (32.5%) and net assets have grown by 21.5% to £1.7m.

REOFFENDING RATE OF OUR CLIENTS

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

COVID-19 AND POST-PANDEMIC LANDSCAPE

During 2021 and 2022 the covid pandemic still affected service delivery with outbreaks occurring at a local and national level. The previously formed Covid taskforce continued to meet and coordinate the Group's response to ensure colleagues and clients remain safe, and sufficient staff were available to deliver our key services.

The levels of sickness due to covid and other associated issues has been challenging. In addition, the post pandemic landscape is one where core costs are rising at a higher rate than contract payments. Additionally, across all sectors there are significant recruitment challenges in being able to recruit and retain staff. This has led Langley House Trust to become more innovative in its approach to recruitment using social media, local churches, and universities to attract potential candidates.

In considering its pay award for 2022-23, Langley House Trust made the decision not to go for an uplift across its entire staff group but to target higher uplifts

to its lowest paid staff, with its highest paid executives receiving no uplifts. This decision was in the context of those lowest paid colleagues being more likely to be hit hardest through the predicted and real rises in costs of living.

Langley House Trust has a resilient team of colleagues, and this has been shown by the way teams have continued to deliver vital services, going the extra mile to see clients' lives changed for the better.

CARE QUALITY COMMISSION (CQC)

Due to the pandemic the Care Quality Commission changed its approach to inspections. As a result, we have not had any full inspections. Three services, Chatterton Hey, The Shrubbery and Ashdene have undergone Direct Monitoring Approach meetings. There were no concerns raised and no actions required following these meetings.

ACHIEVEMENTS DURING 2021/22

New HR database and self-service system

ElementSuite was selected as being the most suitable HR software system that would allow our people to manage their own profiles as well as enabling managers to oversee recruitment, absences, rotas etc. It is equally accessible on laptops, mobiles (through an application) as well as on tablets. This will allow colleagues and managers to easily manage key aspects of HR.

Awards

In 2021/22 we were proud to be shortlisted for two Charity Times Awards, namely 'Charity of the Year' and 'HR Management'.

Launch of Independent Approved Premise

2021/22 saw us commissioned by Her Majesty's Prisons and Probation Service (HMPPS) to deliver a new service from

April 2022, in the form of an Independent Approved Premise (IAP). HMPPS had not opened a new AP for over 30 years so we were delighted to be able to re-roll our existing provision in Bradford and after consultation with key strategic partners, make provision and alterations to the property to meet the requirements for an AP.

Launch of Shaw Trust Contract

During 2021/22 Langley House Trust launched a new specialist advice service for prisoners and ex-offenders as part of CFO Activity Hubs, which was contracted by the Shaw Trust. This advice is being delivered from Activity Hubs, situated in Birmingham, Stoke-on-Trent, Wolverhampton, Leicester, Nottingham, Peterborough, and Norwich.

Its key aims were to:

- Actively engage with participants who may have complex or multiple barriers within a one-to-one and group setting and are unlikely to benefit from other services
- Support a participant journey led by the participant to encourage sustained engagement and therefore progression
- Developing an individual's life skills, communication, and self-worth in preparation for the next steps on their journey; signposting to other provision as appropriate
- Reduce and remove barriers to community reintegration

This service is already a great success, and it works alongside our other similar contracted services. The Trust has seen numerous positive outcomes from clients using the services, which help them to manage and deal with substantial outstanding debt, allowing them to make positive choices on their release from Prison.

Securing Care Frameworks

During the year Langley House Trust successfully applied to become part of

two more care frameworks in Bradford and in Kent. This allows the Trust to have agreed funding for care referrals from these geographical areas.

Head of Chaplaincy

In August 2021 we welcomed Penny Maginn to our newly created Head of Chaplaincy role; in a short space of time this has already enabled us to properly support our chaplains and to develop the role in client-facing services.

Penny has previously worked as a parish priest in the Church of England and more recently as a Prison Chaplain.

Executive Team Structure

During 2021/22 we made the decision to split our Corporate Services Directorate into two specialist directorates, overseeing 'People' and 'Finance and Business Services'.

Director of People

The creation of a new role, Director of People, has brought Olukemi Jeboda to the executive team from 1st March 2022. The new Director of People role sees the Trust bring together the oversight of all its people, including staff and volunteers. This new role will help us achieve our ambition of seeing our people be the best versions of themselves at work and being equipped and skilled to deliver high quality life changing work to our clients.

Olukemi is an experienced HR professional who has worked in a variety of sectors and will bring a wealth of knowledge and experience to the Trust. For the last 13 years she has worked at the Hyde Group, a G15 housing association with approximately 1100 employees and more than 105,000 customers. She sits on the Boards of Thames Reach Charity and Thames Reach Housing and is also a non-Magistrate member of the Judicial Office Advisory Committee.

Director of Finance and Business Services

This role has been remodelled to focus more on the sustainability of the Trust. Simon Herbert joined the Trust as Director of Finance and Business services on 1st April 2022. Simon was previously a director with Samaritan's Purse and prior to that worked for G4S where he gained experience working within the Justice sector. Langley House Trust is in a strong financial position, but it is keen to steward its resources well, ensuring we leave a solid legacy for generations to come and that resources are used to deliver and develop our missional and life changing services.

Management Development Programme

During 2021/22 we celebrated our third set of graduates completing our in-house, accredited programme which invests in developing leaders. Many previous graduates have gone on to new roles or testified in the personal benefits of the course. Meeting monthly over the year allows learning to be applied and not simply acquired; follow up after the course includes personal coaching.

Staff Recognition

The Trust has continued to review its approach to staff recognition in response to feedback through our annual staff survey. Having reviewed and relaunched our approach to staff awards we developed a video to support the communication of this to staff, and more broadly formalised our approach to staff recognition within one document. The Trust has already seen this newly revised approach bear fruit, in that the staff awards (which will be celebrated at our People Conferences in June) attracted 60 nominations, which is a huge increase from previous years.

Online Staff Conferences and Carol Services

Despite the pandemic curtailing some large gatherings the Trust successfully held staff conferences live and online during 2021/22. Running 6 half-day repeated conferences online, we saw 260 staff engage and the feedback was very positive as people recognised the benefits of coming 'together', albeit virtually.

For the second year running the Trust also delivered a successful pre-recorded carol service. The carol service visited a couple of services and included client testimonies and local staff contribution; again, much positive feedback was received from staff and clients alike.

Focus Groups

This year saw the launch of staff focus groups; these allowed staff to sign up to give the Trust feedback across a number of key areas which had been highlighted through the annual staff survey. This process of following through has allowed rich information to be fed into decision making and the development of an action plan to capture and prioritise actions to be taken forward from these focus groups. During 2022 we intend for the focus groups to be extended to clients as well as staff and they will be repeated on a regular basis, becoming an important rhythm for the Trust.

New Operational Quality Committee

A new operational quality committee has been launched. This allows for governance to be strengthened around operational quality.

ISO27001

We achieved certification of this accredited status in May 2021. ISO27001 certification offers assurance to stakeholders and clients that the organisation manages the security of their information well.

Repairs Programme

During 2021/22 a new software system has been introduced to manage the reporting and outcomes of property repairs across the Trust. This new system will help us to more consistently report the feedback from staff and clients on the quality and timeliness of repairs.

Quality software System

During 2021/22 a new software system was introduced to track key quality performance indicators at a service level. This software system has also coordinated and allowed incidents to be reported. The quality system is already assisting in the tracking of trends which help the organisation to target actions not only at a local level but also nationally.

GROWTH DURING 2021/22

As a business we continued to grow in all domains: our income increased by 3.7% during 2021/22, despite this sector being a very challenging environment to expand in during the pandemic. We extended our reach into new services as already described and saw 12.9% growth within our staffing. We have continued to maintain and develop a Christian ethos that provides an environment which will stimulate growth in our clients and our people (staff and volunteers).

BUSINESS GROWTH ASPIRATIONS FOR 2022/23

The Group's strategic objectives are to:

1. Maintain and develop a Christian ethos that provides an environment which will stimulate growth in our clients and our people (staff and volunteers)
2. Continue to grow and develop both the capacity and models we offer the justice sector, within the community and in prison

3. Whilst remaining relevant and missional, continue to increase levels of quality and efficiency in the delivery of services
4. Continue to increase financial and staff capacity to enable more sustainable effective delivery of the Trust's mission
5. Be a partner organisation of choice to both commissioners and referrers.

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

The Group has several strategies that identify sufficient resources to improve its services and prioritise its improvement plan, ensuring that Langley House Trust, Kainos Community and Clean Sheet remain partners of choice within the sectors in which they operate. The Group has reviewed the risks to its business in the light of the Coronavirus pandemic and looked to eliminate, mitigate, or acknowledge these risks.

It is anticipated that the Langley House Trust Group will continue to grow and develop new services; the clients for whom it will provide new services will include offenders and those at risk of offending in the following groups:

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

The growth priorities continue to be:

Care

As the care bed capacity in the Trust fills completely, it is important that the Trust seeks to grow and develop more potential to house those with care needs within the Trust. In the context of this, the Trust is actively seeking a building to deliver care from in a new geographical location.

Supported Housing

A range of supported housing solutions will always remain a core offer from the Trust and it is important that we not only replace any attrition in supported housing beds, but also look to grow and develop in sustainable ways. Also, we intend to purchase more properties in Rochdale to allow Tekoa House to offer a model of single room occupancy going forward.

Justice

The Trust will continue to offer vital services to the Justice Sector and will continue to work closely with HMPPS to ensure we are relevant and continue to be a partner of choice.

Mergers and Acquisitions

The Group remains interested in further mergers and acquisitions. The key factors on deciding the appropriateness of such alliances include the organisation's work being in harmony with the Group's mission, the proposition adding value and the venture being financially viable.

Future Prospects

The Group has shown itself to be resilient and adaptable to a fast-changing market. However, the future still remains very uncertain; this Annual Report is written against the backdrop of the global pandemic and only now are we beginning to see the effect of this and other global issues impacting on the economy and national priorities.

Business Aspirations for 2022/23

Our business aspirations include:

Investors in People (IIP) reaccreditation

The Trust currently has IIP gold status and during 2022 it is scheduled to be re-evaluated. Since the last assessment in 2019 the Trust has worked on a number of areas to support our people such as:

- Developing a more formal, clearly defined approach to recognition;
- Engaging staff feedback in more creative ways;
- Continuing to develop our understanding and outworking of ethos and values;
- Communicating with our people in more consistent ways, especially when contact between colleagues was more challenging during the pandemic.

Cyber Essentials and Cyber Essentials Plus

The Trust is planning to become accredited with Cyber Essentials then moving to the higher level of accreditation of Cyber Essential Plus. This is in recognition of the challenges that cyber security brings and the accreditation will give the organisation further assurance that it is managing its information technology and systems infrastructure well.

Succession Planning

The world of work is evolving and along with it, we have seen the competition for talent intensify. It has become apparent that the skills shortage experienced across all sectors in the UK will not be addressed by external recruitment alone. At Langley, in addition to our recruitment drive, we are focussing on developing our internal talent to fill leadership and business-critical roles required now and in the future. We will

also ensure a clear alignment between our approach to talent management, our values, and our business plan in order to future-proof the organisation.

Staff Benefits

We are committed to ensuring that our people feel valued and to this end, we have commenced a review of how we reward and recognise our staff. We intend to develop an enhanced benefits package that supports our staff wellbeing and motivates them to reach their highest potential. We have also reviewed our approach to recognition and maintained our pay strategy even in the face of the challenging economy.

Property Review

Ensuring properties we retain help us to meet missional objectives is important. We are committed to securing higher levels of ownership of resettlement properties so that we invest in their infrastructure, ensuring they are to a good standard. This also allows more affordable and sustainable rents and service charges to be applied.

Environmental strategy

The Trust intends to review its environmental strategy, measure its carbon footprint and intentionally work to become carbon neutral. It also is looking to acquire and develop its stock to EHC level C.

Quality and Mock Inspections

Much work is planned during 2022/23 on developing a regular rhythm of internal mock inspections to complement both external CQC visits and visits through internal auditors. This will allow us to develop and grow the practices within our registered care services, learning from issues identified.

Church Engagement

The Trust plans to grow the area of church engagement. Currently recruiting and retaining staff is challenging and through church engagement the Trust hopes to add another avenue to attract potential staff applicants. Also, church engagement will develop awareness of our brand and increase the number of people who actively support the work of the Trust.

FUNDRAISING

The Group ran two fundraising campaigns: one at Easter, supporting the installation of outside covered canopies to facilitate meeting areas for clients and their families and a Christmas appeal to raise money specifically for Tekoa House. Both campaigns were successfully received and raised vital funds for the Group.

THANKS

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

We are extremely grateful for all those, who have generously supported our work – individuals, churches, charitable foundations and businesses. Their support has been invaluable in helping to sustain and enhance the services we provide in a time especially throughout the pandemic when resources and demands were increased.

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

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

OUR PARTNERS

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

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

FUNDERS

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

- The Caron Trust
- The Hanley Trust (1987)
- The Norman Evershed Trust
- The David Pickford Charitable Foundation
- The Velnoweth Good Champions Trust



LEGACY

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

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

- The late Edwin John Bird
- The late Ruth E Wren

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

FINANCIAL REVIEW

The Trust reported an Operating Deficit of £35k in 2021/22 (2020/21:surplus £778k).

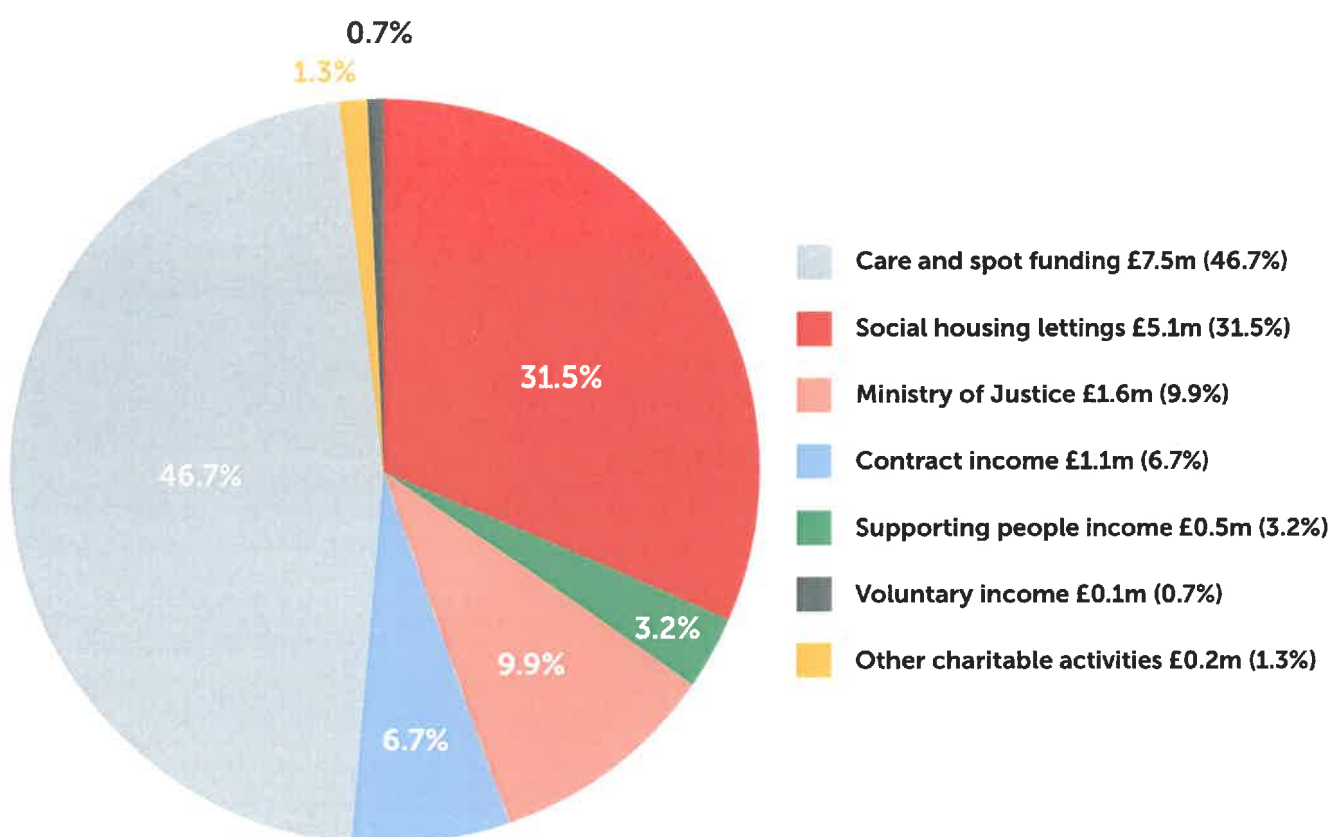
The Trust's policy is to write off all set-up costs at the point of a unit becoming available for occupancy.

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

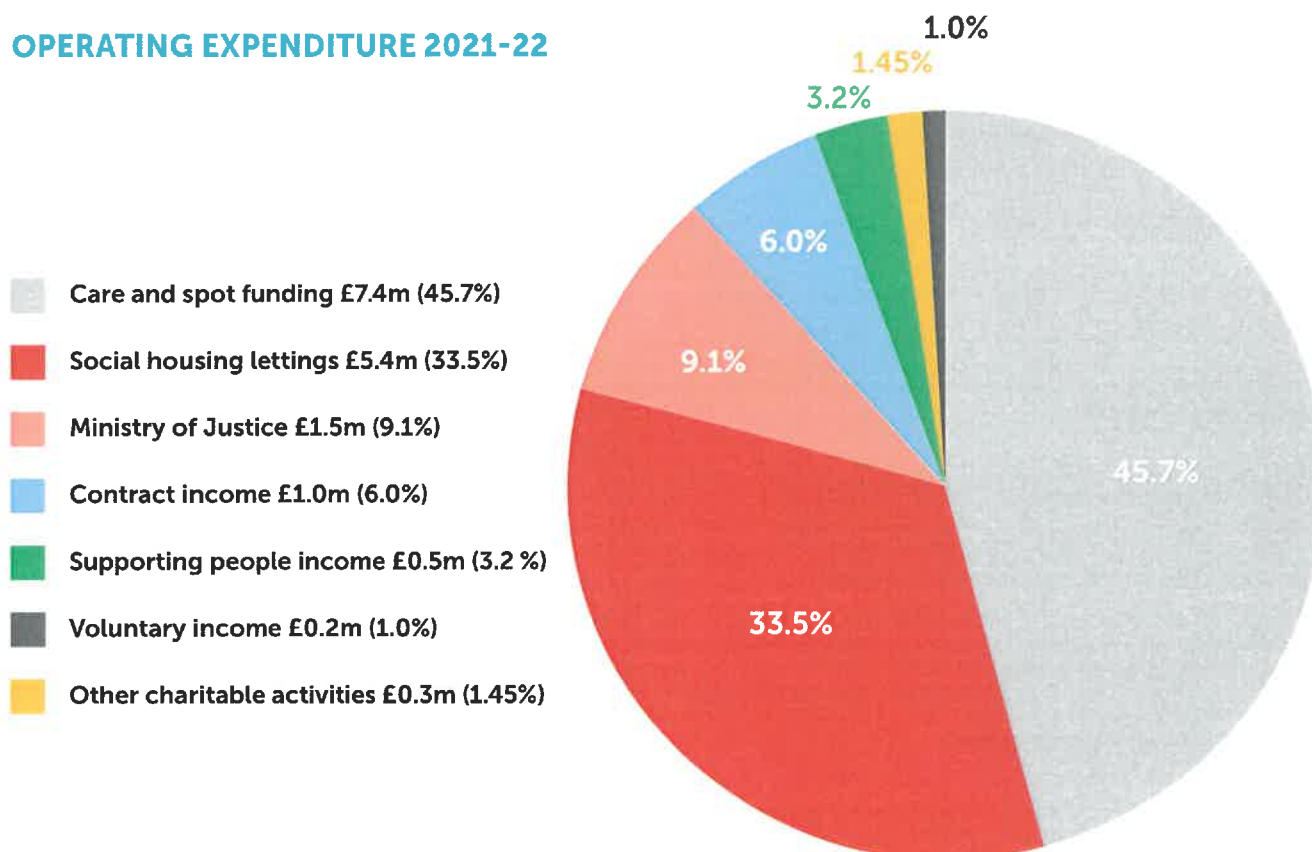
Year	Income	Operating Costs	Operating Surplus / (deficit)	Operating Surplus / (deficit)
	£'000	£'000	£'000	%
2017/18	12,098	11,924	174	1.4
2018/19	12,299	12,646	(347)	(2.8)
2019/20	13,430	13,156	274	2.0
2020/21	15,512	14,734	778	5.0
2021/22	16,084	16,119	(35.0)	(0.2)

These figures have been prepared under FRS 102.

OPERATING INCOME 2021-22



OPERATING EXPENDITURE 2021-22

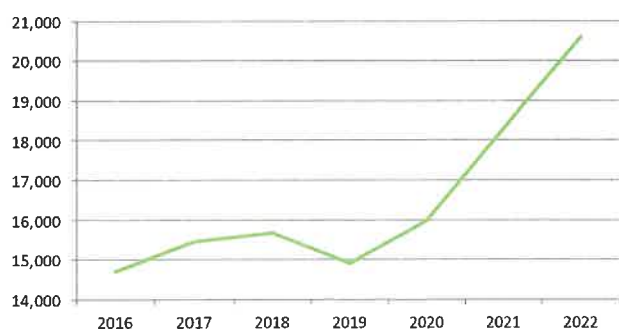


The income of £16.1m (Group £16.3m) reflects growth across a number of revenue streams.

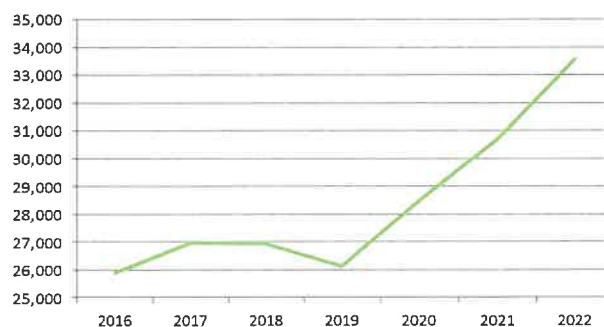
The Trust continues to review services on a project- by-project basis to ensure that delivery is in line with expectations and reflects the funding provided. Net rental income increased by £169k and care and spot funding income increased by £281k

To be certain of effective application of funds, the Trust evaluates its cost base by using various financial costing models. The impact of these cost models, monitoring of the cost base and continual reviews of systems and processes can be observed in the two graphs below:

Labour Cost per Unit per Year



Total Operating Cost per Unit per Year



After allowing for interest received, movement on investments and any disposal of fixed assets, the surplus on ordinary activities in the year was £60k (2020/21: surplus £977k).

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

Capital expenditure of £547k (2020/21: £76k) was spent on the Trust's housing properties, in improving the existing stock. In accordance with the accounting standards the components that were replaced have been removed from the value of the Group's fixed assets.

The Group spent £95k (2020/21: £201k) on other capital equipment.

The Group generated a cash inflow from operating activities of £298k (2020/21: £1,951k)

KEY PERFORMANCE INDICATORS (KPIs)

The Board used 20 KPIs to monitor the delivery of the Trust's strategic objectives. The range of KPIs included indicators of: utilisation, reconviction, client engagement (Services), client engagement (prisons), staff performance and financial performance. The KPI performance report is a standard item that is reviewed by the Board. It looks to bring added value through the delivery of services, which increase opportunities for education, volunteering and employment. The Trust internally monitors how many clients offend whilst resident with the Trust. For the year 2021/22 the reconviction rate for those in our housing was within the target figure of 3%. This indicates that the Trust's approach is continuing to bring successful outcomes.

VALUE FOR MONEY (VfM)

Our Approach to VfM

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

The strategy within the Group is to ensure a culture where VfM is integral to business delivery with clients, central to decisions made and outcomes achieved.

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

Steps Taken to Deliver VfM

The Group's VfM Awards were launched in 2016 and recognise innovation and cost savings within local teams. Staff and volunteers across the Group have been kept updated on VfM activities and initiatives through internal communications and clients have been kept updated through the National Consultative Group and their Client Representatives.

Organisational VfM targets have been rolled out to each department and performance against these targets is monitored by the Board as part of the Group's KPI reporting format.

VfM Champions from across the Group meet to share good practice, receive training and identify, evaluate and prioritise VfM opportunities for the Group. The Group has continued to review and improve many of its core processes.

VfM Performance During the Year

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

The table above indicates a mixed outcome for the Trust with some metrics moving in a positive year on year direction whilst others have moved backwards. Nevertheless, the headline for Langley House Trust is that during the year 2021/2022 we were able to have an impact on the 653 clients that we engaged with (2020/2021 – 686 clients).

It is important to note that government guidance during COVID imposed restrictions on the movement of clients (and the public in general) within the 2020/21 client numbers above.

Furthermore, Langley House Trust maintained the reconviction rate of less than 3% for those in our housing.

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

The 3.7% growth in income (£0.6m), application of the Group’s Value for Money approach, driving the operating margin and ROCE have resulted in the positive year on

year direction of three of the six applicable RSH metrics.

Specific remarks on the RSH’s metrics are:

- 1. Re-investment** - is the acquisition and repairs and maintenance costs, plus expenditure on works to existing owned properties divided by the value of the properties owned by the organisation. The table in 4.1 shows that in 2021/22 the Group’s investment in properties increased to 5.2% (up from 0.8% in 2020/21). As lockdown restrictions eased more work on existing properties was able to be undertaken during the year.
- 2. New supply** – the Regulator expects providers to report on both the supply of social and non-social housing units. It will calculate new supply from the total number of housing units acquired in the reporting period divided by the total number of units held at the end of that period. The number of new or replacement units taken on within the year amounts to 13 units compared to 10 in 2021/22.
- 3. Gearing** – this metric is designed to assess the provider’s reliance on debt and appetite for growth. It divides the total owed in loans and finance leases by the cost or deemed cost and/or valuation of housing properties and would therefore not be applicable to the Group.
- 4. Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI)** – overall surplus (or deficit), plus other income received, less grants and capitalised repairs, plus total depreciation charge divided by the total capitalised interest in housing properties and interest payable and other financing

Year	2021/22	2020/21	2019/20	2018/19	2017/18	Direction of Travel
1. Reinvestment	5.2%	0.8%	2.3%	5.2%	6.4%	↑
2A. New Supply (Social Housing)	2.7%	2.1%	6.1%	5.8%	13.8%	↑
2B. New Supply (Non-Social Housing)	0.0%	0.0%	0.0%	0.0%	0.0%	
5. Headline Social Housing Cost per Unit	£10,578	£10,429	£9,689	£9,016	£9,183	↓
6A. Operating Margin (Social Housing)	(6.4%)	(7.1%)	(6.9%)	(7.9%)	(1.8%)	↑
6B. Operating Margin (Overall)	(0.2%)	5.0%	2.0%	2.8%	1.4%	↓
7. Return on Capital Employed (ROCE)	(0.3)	6.4%	6.2%	3.3%	1.6%	↓

costs. Designed to assess investment capacity by measuring surplus against a provider's interest payments, it would not currently apply to the Group.

5. Headline social housing cost per unit

— an amalgamation of management, service charge, maintenance and repair costs, including capitalised major repairs and other related social housing expenditure such as neighbourhood and community costs divided by the total number of social housing units at the end of the reporting period. The increase to the cost base for social housing reflects the cost pressures in this area coupled with the additional costs arising from the continued decision from the Business Plan to raise the quality of our housing stock far above that of the decent homes standard.

6. Operating margin — designed to assess the profitability of operating assets before exceptional expenses are taken into account and to give the Regulator an indication of overall value for money performance. The Regulator has proposed two measures: operating margin for social housing lettings calculated by dividing the operating surplus (or deficit) for social housing lettings by the turnover from social housing lettings only and operating margin overall, calculated by dividing the overall surplus (or deficit) by overall turnover. The slightly improved operating margin for social housing reflects the ongoing focus in this area. The Group's overall operating margin decreased by 5.2% in 2021/22 to (0.2%).

7. Return on Capital Employed (ROCE) — a common measure used in commercial business, the Regulator suggests that this metric will demonstrate the level of efficient investment of resources. Calculated by dividing the overall

surplus (or deficit), the income from any joint venture partnerships and any gain or loss from the disposal of housing properties by the provider's total assets, less its liabilities. Expenditure increases arising from the ending of COVID-19 restrictions and returning to re-lockdown activity levels in addition to labour challenges leading to increased agency usage to cover sickness absence and vacancies produced a decrease in Return on Capital Employed from 6.4% to a deficit of 0.3%.

MATERIAL ESTIMATES, CONTROL AND JUDGMENTS

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

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

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

- a. Depreciation and amortisation provisions relating to fixed asset accounting, which are based on estimated useful economic lives of individual assets and apportionment of costs between components of composite assets
- b. Provision for bad debts, which are based on specific balances and past experience of bad debts

The impact on the Trust's accounts of these estimates for the year ended 31st March 2022 is as follows:

Description	Expenditure	Income
Depreciation	£485k	
Grant amortisation		£83k
Bad debt expense	£250k	

POST BALANCE SHEET EVENTS

It has been agreed by the Trustees that the Trust will integrate one of its subsidiaries, Kainos Community, after the year-end.

It is intended that the merger contract will be completed by September 2022, and the trade and assets of Kainos Community will be acquired by Langley House Trust, and Kainos Community will cease trading.

Board's Responsibility Statement

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

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

In preparing these financial statements the Board is required to:

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

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

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

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

The strategic report was approved by the Board on 13th July 2022 and signed on its behalf by:



Ruth Williams
Chair of the Board (from 11th June, 2022)
13th July 2022

Trustees' Report

The Trustees present their report and accounts for the year ended 31st March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

The Trustees, who are also directors for the purpose of company law and who served during the year, are listed on page 3.

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

The Board is responsible for major strategic decisions and has ultimate responsibility for the conduct and financial stability of the

Trust. It seeks to support the Executive in a culture of mutual confidence and trust. During the year, two new Trustees were appointed following an open selection process based on relevant skills and knowledge.

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

The Trust has an Audit, Risk & Compliance Committee, a People's Committee and a National Consultative Group. These Committees have clear terms of reference and report directly to the Board.

The Board delegates to the Chief Executive full control over the operation of the Trust within policy. The Chief Executive and other members of the Executive, titled Directors and National Chaplain, attend meetings of the Board. The term "Directors" should not be construed as Directors under the Companies Act. It is the duty of the Chief Executive to further the mission of the Trust and to ensure that management is efficient, effective and runs in accordance with good business practice.

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

The Articles of Association allow the Trustees to deposit or invest its funds. The Board will secure expert advice, where necessary, before

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

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

COMPLIANCE WITH THE GOVERNANCE AND VIABILITY STANDARD

The Board is content that the Trust broadly complies with the NHF Code of Governance 2020, in the areas in which it applies to the Trust. To fully apply the Code requirements on Board tenure would create unacceptable succession risks in the short to medium term. The Board commissioned an external Governance review which will assist the Board in decision making about how best to transition to the new requirements.

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

OPERATIONAL INFRASTRUCTURE

The Trust has the majority of its Central Service staff based in Coventry. This includes specialist staff in Housing, Property, Referrals, Finance, Human Resources, IT and Development.

STAFF AND VOLUNTEERS

Our People are at the centre of what we do at Langley, and we would not be able to achieve our mission without them. Many staff and volunteers join the Group because they are committed to the mission and values of the

organisation, and they go above and beyond to deliver great services and care for our clients.

As of 31st March 2022, Langley House Trust had 278 employees, including temporary staff, and excluding relief workers. Of these, 77% worked directly with clients. The Trust has increased its staffing by 12.9% over the past year. The Group places a lot of value on its people, and this is recognised in our Investors In People Gold Award.

The Group is reliant on the skill, knowledge, professionalism, and dedication of its employees. Our staff worked incredibly hard throughout the year to ensure that all our services carried on operating, and we continued to support our clients safely and in-line with Government guidelines.

The Group recognises the valuable role volunteers play in assisting in the delivery of a high-quality service to clients. Volunteers provide valuable support in a range of different contexts and work alongside our staff enabling us to undertake value-added activities with clients. During 2021/22 the Trust appreciated the support of 77 volunteers working across a range of roles.

GENDER PAY GAP REPORTING

The Group is committed to fair pay and in line with this, we published our Gender Pay Gap Report during the year. The mean gender pay was 5% representing higher mean hourly pay for males. The median gender pay gap of 8% represents higher median hourly pay for females. We have ongoing plans to monitor, publish and create action plans for the gender pay each year so this continues to support our values within the Group.

STATEMENT ON THE GROUP'S SYSTEM OF INTERNAL CONTROL

The Board has overall responsibility for establishing and maintaining the system

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

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

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

are discussed at each Audit, Risk & Compliance Committee meeting.

2. Environment and control procedures

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

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

3. Information and financial reporting systems

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

4. Monitoring and corrective action

– A process of regular management reporting on control issues provides assurance to senior management and to Trustees. This includes ensuring that corrective action is taken in relation to any significant control issues, particularly

those that may have a material impact on the financial statements and delivery of our services.

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

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

5. The Prevention, Detection, Reporting and Recovery of Financial Crime and Fraud

– The Trust takes fraud and other financial crime seriously. The Trust's Fraud and Prevention of Financial Crime 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 2021-2022 there were no significant losses identified as a result of fraud.

The Trustees confirm that there is an on-going process for identifying and managing significant risks of fraud and other financial crime faced by the Trust. This process has been in place throughout the year under review, up to the date of the annual report and accounts, and is regularly reviewed by the Audit, Risk & Compliance Committee.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Over the last few years there have been

PARTNERSHIPS

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

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

PUBLIC BENEFIT

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

The Trustees' report was approved by the Board on 13th July 2022 and signed on its behalf by:



Ruth Williams
Chair of the Board (from 11th June, 2022)
13th July 2022

reductions in government funding due to the austerity measures implemented by the government. The Group has sought to ensure all of its services are of a high quality and relevant to commissioners. Over the last few years, the Group has worked hard to diversify its income stream to mitigate the loss of any one funding stream. A number of the risks on the Group's risk map relate to the continued uncertainty around various funding streams.

The Group's risk map details the main business risks and identifies how the risks have been mitigated. The risk map identifies the significant risks, which the Board considers could have a material impact on the Group's business.

The risk map is regularly updated in the light of changing internal and external circumstances and it informs the business planning and decision-making process at a high level. This map is reviewed by the Executive Team and the Audit, Risk & Compliance Committee at each meeting.

RESERVES

The Trust's Reserves Policy has identified that a contingency equivalent to twelve weeks' operating expenditure (equating to £4.4m) needs to be maintained in order to cover identifiable and quantified risk and to allow the Trust sufficient time to be able to restructure its operations minimising the disruption to clients. The reserves at the end of March 2022 of £9.2m exceed this requirement and the Trust is compliant with this policy.

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

EQUALITY, DIVERSITY AND INCLUSION

The Group's approach to Equality, Diversity and Inclusion is set out in its Group Equality, Diversity and Inclusion Policy and included within Langley House Trust's activities.

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

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

HEALTH AND SAFETY

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

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

QUALITY AND QUALITY MANAGEMENT

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

135

BAME registered clients in 15 residential settings



268

No. of clients with self-disclosed disability



508



bed spaces

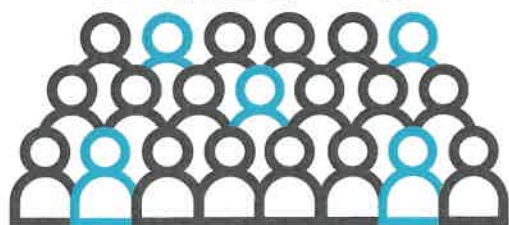
available



1459

accommodation referrals received

1174



clients received our services in the last year

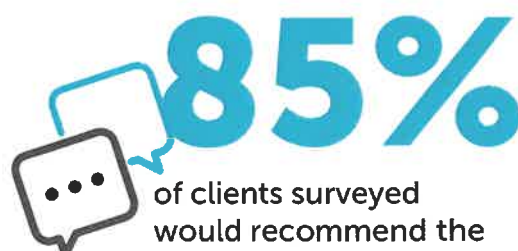


31

clients departed for re-offending reasons

79%

satisfaction reported by clients for staffing, key-working and the impact of this



85%

of clients surveyed would recommend the Trust's services to others

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2022

Opinion

We have audited the financial statements of Langley House Trust ('the Trust') and its subsidiaries ('the group') for the year ended 31 March 2022 which comprise the group and parent statement of comprehensive income, the group and parent statement of financial position, the group and parent statement of changes in reserves, the group cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the Trust's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2022

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 22, the trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2022

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

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

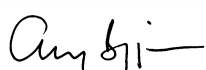
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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

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

Use of our report

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



Guy Biggin

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor
Fourth Floor
St James House
St James' Square
Cheltenham
GL50 3PR

Date: 17 October 2022

Langley House Trust
Statement of Comprehensive Income
For the Year Ended 31 March 2022

	Notes	Group 2022 £000	LHT 2022 £000	Group 2021 £000	LHT 2021 £000
Turnover	3	16,320	16,084	15,754	15,512
Cost of sales		-	-	-	-
Gross profit		16,320	16,084	15,754	15,512
Operating expenditure	3	(16,298)	(16,119)	(14,884)	(14,734)
Other income		-	-	-	-
Gain on disposal of property, plant and equipment	7	-	-	6	6
Operating surplus	3	22	(35)	876	784
Movement in fair value of investments	15	66	66	159	159
Interest receivable and other income	8	29	29	34	34
Surplus before tax		117	60	1,069	977
Taxation		-	-	-	-
Surplus for the year after tax		117	60	1,069	977
Total comprehensive income for the year		117	60	1,069	977

The financial statements were approved and authorised for issue by the Board on 13 July 2022 and were signed on its behalf by:



Ruth Williams
Chair of the Board



Andrew Newell
Board Member



Simon Herbert
Secretary

The notes on pages 37 to 55 form an integral part of these accounts

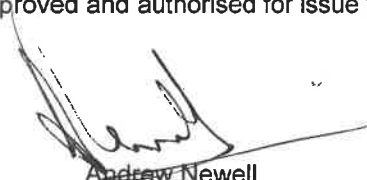
Langley House Trust
Statement of Financial Position
For the Year Ended 31 March 2022

	Note	Group 2022 £000	LHT 2022 £000	Group 2021 £000	LHT 2021 £000
FIXED ASSETS					
Housing properties	13	6,361	6,361	6,147	6,147
Other fixed assets	14	306	306	367	367
Investments	15	1,003	1,003	937	937
Total fixed assets		7,670	7,670	7,451	7,451
CURRENT ASSETS					
Debtors	16	1,726	1,725	1,496	1,486
Cash in hand and at bank		5,721	5,310	6,036	5,663
Total current assets		7,447	7,035	7,532	7,149
Less Creditors: amounts falling due within one year	17	(2,722)	(2,690)	(2,586)	(2,526)
Net current assets		4,725	4,345	4,946	4,623
Total assets less current liabilities		12,395	12,015	12,397	12,074
Creditors: amounts falling due after more than one year	18	2,842	2,842	2,925	2,925
Provisions for liabilities and charges					
Other Provisions	19	-	-	36	36
Total net assets		9,553	9,173	9,436	9,113
Reserves					
Restricted reserves		5	5	15	15
Revenue reserves		9,548	9,168	9,421	9,098
Total capital & reserves		9,553	9,173	9,436	9,113

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



Ruth Williams
Chair of the Board



Andrew Newell
Board Member



Simon Herbert
Secretary

Registered Company number: 7888191

The notes on pages 37 to 55 form an integral part of these accounts.

Langley House Trust

Statement of Changes in Reserves

For the Year Ended 31 March 2022

GROUP

	Income and expenditure reserve £000	Restricted reserves £000	Total £000
Balance as at 31 March 2020	8,285	82	8,367
Surplus for the year	1,069	-	1,069
Transfers from restricted reserves	67	(67)	-
Balance as at 31 March 2021	9,421	15	9,436
Surplus for the year	117	-	117
Transfers from restricted reserves	10	(10)	-
Balance as at 31 March 2022	9,548	5	9,553

LHT

	Income and expenditure reserve £000	Restricted reserves £000	Total £000
Balance as at 31 March 2020	8,054	82	8,136
Surplus for the year	977	-	977
Transfers from restricted reserves	67	(67)	-
Balance as at 31 March 2021	9,098	15	9,113
Surplus for the year	60	-	60
Transfers from restricted reserves	10	(10)	-
Balance as at 31 March 2022	9,168	5	9,173

The notes on pages 37 to 55 form an integral part of these accounts.

Langley House Trust
Cash Flow Statement
For the Year Ended 31 March 2022

GROUP	Note	2022 £000	2021 £000
Net cash from operating activities	i	298	1,951
Cash flow from investing activities			
Purchase of housing properties		(547)	(76)
Purchase of other fixed assets		(95)	(201)
Proceeds of sale of other fixed assets		-	6
Proceeds of sale of investments		-	150
		(344)	(121)
Cash flow from financing activities			
Interest received		29	34
Net change in cash equivalent		(315)	1,864
Cash and cash equivalents at beginning of the year		6,036	4,172
Cash and cash equivalents at the end of the year		5,721	6,036
Note i - reconciliation of net cash flow from operating activities		2022 £000	2021 £000
Surplus for the year		117	1,069
Depreciation of tangible fixed assets		486	491
Amortisation of Grants		(83)	(83)
Loss/(Profit) on disposal of asset		3	(6)
Other non cash changes		(66)	(159)
Interest received		(29)	(34)
(Decrease)/Increase in provisions		(36)	(64)
(Increase)/Decrease in debtors		(230)	64
Increase in creditors		136	673
Net cash inflow from operating activities		298	1,951

The notes on pages 37 to 55 form an integral part of these financial statements.

Langley House Trust

Notes to the Financial Statements

Year ended 31 March 2022

1. LEGAL STATUS

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Basis of accounting

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

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

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

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS102:

- No cash flow statement has been presented for the parent company,
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole, and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Basis of consolidation

The consolidated financial statements of Langley House Trust incorporates the financial statements of Kainos Community and Clean Sheet under the acquisition accounting basis – see note 23 for more details. On the 1st August 2013 the incorporated Langley House Trust became the sole corporate trustee of Langley House Trust (charity number 290059) which transferred its activities to the incorporated Langley House Trust.

Going concern

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

Langley House Trust

Notes to the Financial Statements

Year ended 31 March 2022

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 2022

Fixed assets

Valuation of housing properties

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

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

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

Depreciation and impairment of fixed assets, including housing properties

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

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

Freehold properties (excluding land):

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

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

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

Works to existing housing properties

Expenditure which results in an enhancement of the economic benefits of a property, the creation of a new property component or the replacement of a component that has been treated separately for depreciation purposes is capitalised. In all other instances expenditure on existing properties is charged

Langley House Trust

Notes to the Financial Statements

Year ended 31 March 2022

to the income and expenditure account. This includes expenditure incurred to ensure that the property can maintain its expected level of net rental income or the standard of performance anticipated when the asset was first acquired or constructed or last replaced.

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

Social Housing and Government Grants (SHG)

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

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

Non-monetary government grants

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

Investments

Investments are stated at market value.

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

Provisions

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

Restricted reserves

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

Langley House Trust

Notes to the Financial Statements

Year ended 31 March 2022

Revenue reserves

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

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

Financial instruments held by the Group are classified as follows:

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

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

Judgements and key sources of estimation uncertainty

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

a) Categorisation of housing properties:

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

b) Impairment:

The Trust has identified a cash generating unit for impairment assessment purposes at a property scheme level. Consideration has been given and no impairment has arisen as a result of the continued impact of COVID 19.

Other key sources of estimation and assumptions:

Tangible fixed assets

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

Recoverability of rent arrears

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

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2022

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

GROUP	Turnover	Operating costs	2022 Gain/(loss) on disposal of property, plant and equipment £000	Operating Surplus/ (deficit) £000
	£000	£000		
Social Housing Lettings(Note 5)	5,072	5,395	-	(323)
Other social housing activities				
Supporting People	519	517	-	2
Activities other than social Housing				
Care and spot funding	7,482	7,365	-	117
Ministry of Justice	1,585	1,467	-	118
Other government contracts	1,083	966	-	117
Voluntary Income	135	152	-	(17)
Prison Services	188	135	-	53
Other	219	277	-	(58)
Income for generating funds	37	24	-	13
Gain on disposal of property, plant and equipment	-	-	-	-
	16,320	16,298	-	22

LHT	Turnover	Operating costs	2022 Gain/(loss) on disposal of property, plant and equipment £000	Operating Surplus/ (deficit) £000
	£000	£000		
Social Housing Lettings(Note 5)	5,072	5,395	-	(323)
Other social housing activities				
Supporting People	519	517	-	2
Activities other than social Housing				
Care and spot funding	7,482	7,365	-	117
Ministry of Justice	1,585	1,467	-	118
Other government contracts	1,083	966	-	117
Voluntary Income	111	152	-	(41)
Other	195	233	-	(38)
Income for generating funds	37	24	-	13
Gain on disposal of property, plant and equipment	-	-	-	-
	16,084	16,119	-	(35)

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2022

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

GROUP	Turnover	Operating costs	2021 Gain/(loss) on disposal of property, plant and equipment	Operating Surplus/ (deficit)
	£000	£000	£000	£000
Social Housing Lettings(Note 5)	4,791	5,131	-	(340)
Other social housing activities				
Supporting People	512	505	-	7
Activities other than social Housing				
Care and spot funding	7,313	6,735	-	578
Ministry of Justice	1,426	1,156	-	270
Other government contracts	865	785	-	80
Voluntary Income	372	128	-	244
Prison Services	155	101	-	54
Other	282	324	-	(42)
Income for generating funds	38	19	-	19
Gain/(loss) on disposal of property, plant and equipment	-	-	6	6
	15,754	14,884	6	876

LHT	Turnover	Operating costs	2021 Gain/(loss) on disposal of property, plant and equipment	Operating Surplus/ (deficit)
	£000	£000	£000	£000
Social Housing Lettings(Note 5)	4,791	5,131	-	(340)
Other social housing activities				
Supporting People	512	505	-	7
Activities other than social Housing				
Care and spot funding	7,313	6,736	-	577
Ministry of Justice	1,426	1,157	-	269
Other government contracts	865	786	-	79
Voluntary Income	316	128	-	188
Other	251	272	-	(21)
Income for generating funds	38	19	-	19
Gain/(loss) on disposal of property, plant and equipment	-	-	6	6
	15,512	14,734	6	784

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2022

4. UNITS/BED SPACES - GROUP

	Social Housing Lettings		Other Social Housing		Total
	Supported Housing	Care Homes	Registered Care Beds	General Needs	
Social Housing					
At 31 March 2022	390	-	90	-	480
<i>At 31 March 2021</i>	390	-	90	-	480
		2022	2021		
Non-social Housing					
Under management at start of year		3	3		
Under management at end of year		3	3		

The Trust also owns 43 units (2021: 43 units) of accommodation managed by a third party. As the rights and obligations of the scheme have been transferred to the managing organisation, these units are not included in these accounts.

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2022

5. TURNOVER AND OPERATING EXPENDITURE

GROUP AND LHT	Supported housing 2022 £000	Care Homes 2022 £000	TOTAL 2022 £000	TOTAL 2021 £000
INCOME				
Rents receivable	2,544	34	2,578	2,464
Service income	2,377	35	2,412	2,245
Amortised government grants	65	17	82	82
Turnover from Social Housing Lettings	4,986	86	5,072	4,791
EXPENDITURE				
Management	2,331	41	2,372	2,266
Services	2,169	26	2,195	1,996
Routine maintenance	393	11	404	332
Planned maintenance	42	1	43	133
Bad debts	186	-	186	203
Depreciation of Housing Properties	187	8	195	201
Operating costs on Social Housing Lettings	5,308	87	5,395	5,131
OPERATING (DEFICIT) /SURPLUS ON SOCIAL HOUSING LETTINGS ACTIVITIES	(322)	(1)	(323)	(340)
Void losses	(1,115)	(25)	(1,140)	(758)

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2022

6. OPERATING SURPLUS

	Group	LHT	Group	LHT
	2022	2022	2021	2021
	£000	£000	£000	£000
Is stated after charging/(crediting):				
Depreciation of housing properties	330	330	338	338
Depreciation of other tangible fixed assets	156	156	153	153
Operating lease rentals:				
Land and buildings	477	477	519	519
Office equipment	4	4	5	5
Auditors remuneration (excluding VAT)				
In their capacity as external auditors	19	15	18	14
Other fees	12	12	1	1
Surplus on sale of other fixed assets	-	-	(6)	(6)

7. SURPLUS ON DISPOSAL OF FIXED ASSETS

	Group	LHT	Group	LHT
	2022	2022	2021	2021
	£000	£000	£000	£000
Proceeds of sales	5	5	6	6
Carrying value of fixed assets disposed of during the year	-	-	-	-
SURPLUS ON DISPOSAL	5	5	6	6

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2022

8. INTEREST RECEIVABLE AND OTHER INCOME

	Group	LHT	Group	LHT
	2022	2022	2021	2021
	£000	£000	£000	£000
Dividends received on investments	27	27	29	29
Bank interest	2	2	5	5
TOTAL	29	29	34	34

9. EMPLOYEE INFORMATION

	Group	LHT	Group	LHT
	2022	2022	2021	2021
The average number of staff employed during the year, expressed as full time equivalents, (i.e. 35 hours per week) was:	292	281	260	249

Staff costs	Group	LHT	Group	LHT
	2022	2022	2021	2021
	£000	£000	£000	£000
Wages and salaries	7,041	6,767	6,300	6,035
Social security costs	644	624	577	557
Other pension costs	312	300	275	265
Other Employee benefits	83	83	76	76
TOTAL	8,080	7,774	7,228	6,933

During the year ended 31 March 2022, the Trust made severance and redundancy payments of £12k (2021: £nil).

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

	Group	LHT	Group	LHT
	2022	2022	2021	2021
£60,000 - £70,000	3	3	1	1
£70,000 - £80,000	1	1	1	1
£80,000 - £90,000	1	1	1	1
£100,000 - £110,000	-	-	1	1
£110,000 - £120,000	1	1	1	1

Langley House Trust

Notes to the Financial Statements

Year ended 31 March 2022

10 PENSION OBLIGATIONS

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

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

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

11 DIRECTORS' EMOLUMENTS

No emoluments were paid to Company Directors in 2022 or 2021 by the Trust. They do receive reimbursement of necessary expenses incurred on behalf of the Trust. In 2022 reimbursement of Directors' expenses totalled £0.4k (2021: £3k).

	Group 2022 £000	LHT 2022 £000	<i>Group 2021 £000</i>	<i>LHT 2021 £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	387	387	335	335
The emoluments paid to highest paid officer (Chief Executive), including benefits-in-kind but excluding employer's pension contributions	112	112	106	106

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

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

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2022

12 TAXATION STATUS

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

13 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

GROUP AND LHT

	Completed £000	Under Construction £000	Total £000
COST/VALUATION			
At 1 April 2021	10,029	70	10,099
Additions	547	-	547
Transfers	70	(70)	-
Disposals	(36)	-	(36)
At 31 March 2022	10,610	-	10,610
DEPRECIATION			
At 1 April 2021	3,952	-	3,952
Charge for year	330	-	330
Eliminated on Disposals	(33)	-	(33)
At 31 March 2022	4,249	-	4,249
NET BOOK VALUE at 31 MARCH 2022	6,361	-	6,361
NET BOOK VALUE at 1 April 2021	6,077	70	6,147

Housing properties comprise:

	2022 £000	2021 £000
Freeholds	5,968	5,627
Long Leaseholds	16	17
Short Leaseholds	377	433
Assets under construction	-	70
	6,361	6,147

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2022

14 TANGIBLE FIXED ASSETS – OTHER

GROUP AND LHT

	Plant & equip £000	Motor vehicles £000	Total £000
COST/VALUATION			
At 1 April	808	329	1,137
Additions	95	-	95
Disposals	(140)	(51)	(191)
At 31 March	763	278	1,041
DEPRECIATION			
At 1 April	570	200	770
Charge for year	99	57	156
Disposals	(140)	(51)	(191)
At 31 March	529	206	735
NET BOOK VALUE at 31 March 2022	234	72	306
NET BOOK VALUE at 1 April 2021	238	129	367

15 FIXED ASSET INVESTMENT

LHT & Group	2022 £	2021 £
Market value of investments at start of year	937	928
Market value of investment sold during the year	-	(150)
Market value of investments at end of year	1,003	937
Gain in value during the year	66	159
Gain recognised in the Statement of Comprehensive Income	66	159
Historic Cost of Investments	599	599

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

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2022

16 DEBTORS

	Group 2022 £000	LHT 2022 £000	<i>Group 2021 £000</i>	<i>LHT 2021 £000</i>
Amounts falling due within one year:				
Rent arrears	898	898	940	940
Less: provision for bad debts	(709)	(709)	(761)	(761)
Non rental arrears	1,175	1,175	1,081	1,071
Less: provision for bad debts	(177)	(177)	(123)	(123)
Prepayments and accrued income	539	538	359	359
Intercompany balance	-	-	-	-
	1,726	1,725	1,496	1,486

17 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £000	LHT 2022 £000	<i>Group 2021 £000</i>	<i>LHT 2021 £000</i>
Rent credit balances	278	278	235	235
Non rental credit balances	547	547	410	410
Trade creditors	232	232	207	207
Taxation, social security and pension payable	238	223	221	204
Accruals and deferred income	1,343	1,326	1,416	1,373
SP contract income received in advance	1	1	14	14
Deferred capital grant (note 18b)	83	83	83	83
	2,722	2,690	2,586	2,526

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

	Group 2022 £000	LHT 2022 £000	<i>Group 2021 £000</i>	<i>LHT 2021 £000</i>
Deferred capital grant (note 18b)	2,842	2,842	2,925	2,925
	2,842	2,842	2,925	2,925

Langley House Trust
Notes to the Financial Statements
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18 (b) CREDITOR: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2022 £000	LHT 2022 £000	<i>Group 2021 £000</i>	<i>LHT 2021 £000</i>
At the start of the year	3,008	3,008	3,091	3,091
Grant received during the year	-	-	-	-
Released to income in the year	(83)	(83)	(83)	(83)
At the end of the year	2,925	2,925	3,008	3,008
Amount due to be released <1 year	83	83	83	83
Amount due to be released >1 year	2,842	2,842	2,925	2,925
	2,925	2,925	3,008	3,008
Total grant received	4,721	4,721	4,721	4,721

19 PROVISIONS FOR LIABILITIES AND CHARGES

GROUP AND LHT

	2022 £000	<i>2021 £000</i>
Opening balance as at 1 April	36	100
Utilised in the year	(36)	(64)
Additional provision	-	-
Closing balance as at 31 March	-	36

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Year ended 31 March 2022

20 CAPITAL COMMITMENTS

	Group 2022 £000	LHT 2022 £000	<i>Group 2021 £000</i>	<i>LHT 2021 £000</i>
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	149	149	170	170
The commitments as at 31 March will be financed as follows:				
	Group 2022 £000	LHT 2022 £000	<i>Group 2021 £000</i>	<i>LHT 2021 £000</i>
Revenue reserves of the Trust	149	149	170	170
	149	149	170	170

21 OPERATING LEASES

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

	Group 2022 £000	LHT 2022 £000	<i>Group 2021 £000</i>	<i>LHT 2021 £000</i>
Land and buildings:				
In one year or more but less than two years	276	276	419	419
In two years or more and less than five years	372	372	501	501
In five years or more	131	131	221	221
Others, which expire:				
In one year or more but less than two years	4	4	4	4
In two years or more and less than five years	9	9	9	9
In five years or more	-	-	-	-

Langley House Trust

Notes to the Financial Statements

Year ended 31 March 2022

22 RELATED PARTIES

Langley House Trust is the Parent entity in the Group and ultimate controlling party. The Group has taken advantage of the exemption under section 33 FRS 102 not to disclose transactions with wholly owned subsidiary undertakings.

During the year the Trust had the following intra-group transactions with its subsidiaries:

	2022	2021
	£000	£000
Management charges from subsidiaries	16	16
Funding grant provided to subsidiaries	179	170

Management Charges

Intra-group management fees are receivable by the Trust from the subsidiaries to cover the running costs the Trust incurs on behalf of managing the subsidiaries and providing services. The management fee is calculated based on an allocated time by staff members providing the following services:

- Housing Management (including arrears & repairs management)
- IT services
- Finance services including purchase ledger and management accounting
- Executive services

Funding grant

During the year the Trust provided funding to one of the subsidiaries.

23 SUBSIDIARY UNDERTAKINGS

The company has three subsidiaries, each of which has the same registered office address as Langley House Trust:

1. Langley House Trust is a registered charity (charity number 290059) which transferred assets, liabilities and business to the incorporated Langley House Trust (charity number 1146304) on 1 August 2013. It has been dormant since, and has £10 in its reserves.
2. On 1 October 2013 Langley House Trust acquired, for no consideration, Kainos Community. Kainos Community is a charity which works within prisons delivering services to help rehabilitation.
3. On 1 October 2019 Langley House Trust acquired, for no consideration, Clean Sheet. Clean Sheet is a charity that works to offer people with convictions the hope of a better future by finding sustainable employment.
4. Accord Community Services Ltd was a limited company and subsidiary of Langley House Trust, which had been dormant since its incorporation in May 2012. It was dissolved on 22 March 2022.

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2022

24 FINANCIAL INSTRUMENTS

a. GROUP

	2022	2021
	£000	£000
Financial Assets Measured at Amortised Cost:		
Rent and Service Charge Debtors	189	184
Other Debtors	999	958
Cash and Cash Equivalents	5,721	6,036
Total Financial Assets	6,909	7,178
Financial Liabilities Measured at Amortised Cost:		
Trade Creditors	232	207
Other Creditors	2,163	2,075
Total Financial Liabilities	2,395	2,282

a. LHT

	2022	2021
	£000	£000
Financial Assets Measured at Amortised Cost:		
Rent and Service Charge Debtors	189	184
Other Debtors	998	948
Cash and Cash Equivalents	5,310	5,663
Total Financial Assets	6,497	6,795
Financial Liabilities Measured at Amortised Cost:		
Trade Creditors	232	207
Other Creditors	2,153	2,032
Total Financial Liabilities	2,385	2,239

25 POST BALANCE SHEET EVENTS

It has been agreed by the Trustees that the Trust will integrate one of its subsidiaries, Kainos Community, after the year-end.

It is intended that the merger contract will be completed by September 2022, and the trade and assets of Kainos Community will be acquired by Langley House Trust, and Kainos Community will cease trading.

