

LANGLEY HOUSE TRUST
HELPING PEOPLE TO LIVE CRIME-FREE LIVES

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the 12 months ended 31st March 2023

Company No. 07888191 Charity No. 1146304

www.langleyhousetrust.org

KEY INDIVIDUALS

PATRONS

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

AMBASSADORS

Ademola Oshodi
Professor Chris Lewis

FELLOWS

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

TRUSTEE BOARD MEMBERS*

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

Vice Chair (Development)

Stephen Cooper ACIB

Other Trustees

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Michael Maiden BA, DMS

Sandra Keene CBE, BSc, DSW
Amanda Coyle MSc, MBA, TksA
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Evelyn Sarah Weston BA (Hons) (from 13th
July 2022)
Richard Matthew Montgomery MBA, BSc
(from 13th July 2022)

Co-opted Members of the Board

Anne Ranasinghe MBA, ACMA, MSc, BSc
(Hons) (from 6th December 2022)
Mark Curran LLB (from 6th December 2022)

EXECUTIVE DIRECTORS

Chief Executive

Tracy Wild MA Bsc (Hons), CIH

Director of People

Olukemi Jeboda Chartered FCIPD, MBA, MSc

Director of Finance and Business Services

Simon Herbert ACA

Director of Operations

Chris Metcalfe ILM Level 5 Strategic
Management

Director of Care and Quality

Stella Wint BA (Hons)

Director of Chaplaincy

Rev. Andy Rider MA, BTH

COMPANY SECRETARY

Simon Herbert ACA

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

CONTENTS

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



CHAIR'S REVIEW

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

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

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

We have focused on our people and taken the opportunity to celebrate them this past year. We have seen a number of colleagues shortlisted for external awards. Our People Conferences in June 2022 explored the theme 'Who Are We?' with 300 staff and volunteers coming together. We shared our understanding of our identity and our purpose, and it was a joy to meet in person

and meet staff and volunteers from all our services. As we prepare for all that 2023 has in store for us, I am confident that as a Board and Senior Management Team we have planned well, are investing wisely and will continue to develop our workforce ensuring that they are equipped to deliver our objectives.

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

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

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

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

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

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

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

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

On behalf of the Board, thank you.



Ruth Williams
Chair of the Board



STRATEGIC REPORT

WHO WE ARE

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

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

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

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

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

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

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

OVERARCHING VISION

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

MISSION STATEMENT

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

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

PRINCIPLE ACTIVITIES

Accommodation Services

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

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

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

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

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

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

Advice and Rehabilitation in Prison

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

Kainos Community

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

Clean Sheet

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

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

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

GROUP STRUCTURE

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

LANGLEY HOUSE TRUST APPROACH

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

Our approach is:

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

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

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

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

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

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

REOFFENDING RATE OF OUR CLIENTS

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

REVIEW OF 2022/23

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

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

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

People

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

Governance

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

Awards

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

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

GROWTH DURING 2022/23

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

STRATEGIC OBJECTIVES

The Group's strategic objectives are to:

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

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

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

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

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

STRATEGIC FOCUS FOR 2023/24

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

Within the next twelve months, the Group aspires to:

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

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

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

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

FUNDRAISING

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

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

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

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

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

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

THANKS

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

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

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

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



OUR PARTNERS & FUNDERS

OUR PARTNERS

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

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

FUNDERS

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

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

LEGACY

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

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

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

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

FINANCIAL REVIEW

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

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

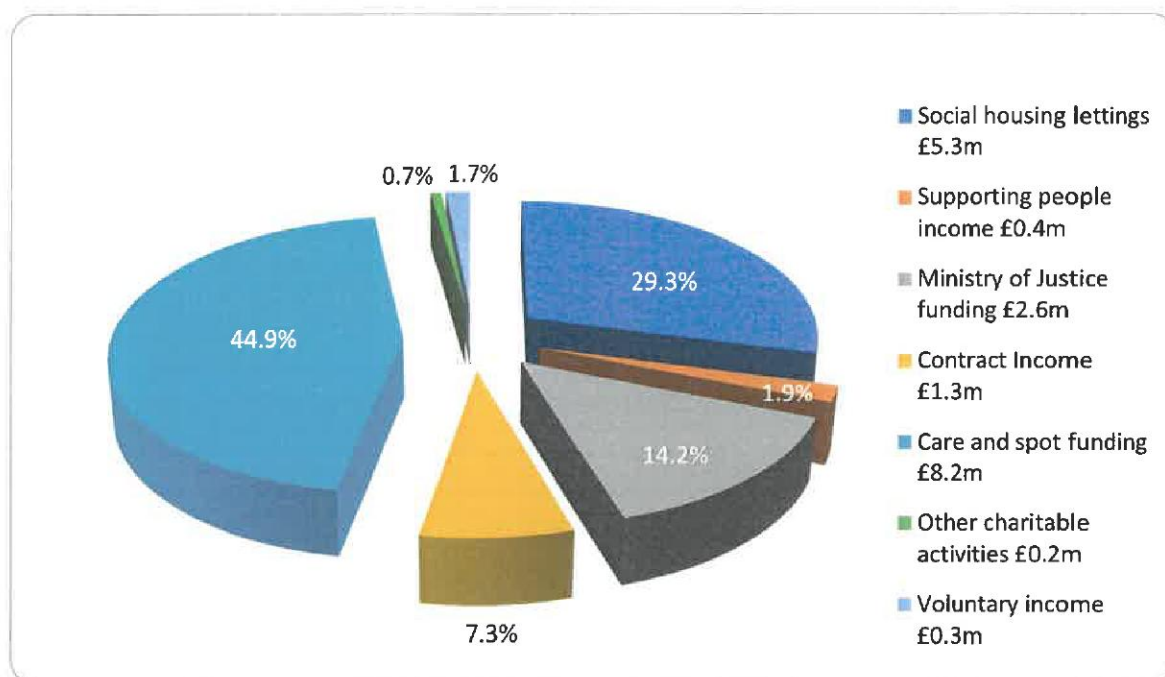
The Trust reported an Operating Deficit of £396k in 2022/23 (2021/22: deficit £35k), which follows on from a smaller Operating Deficit in the prior year. This reflects a number of key factors that the Trust is facing, which include:

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

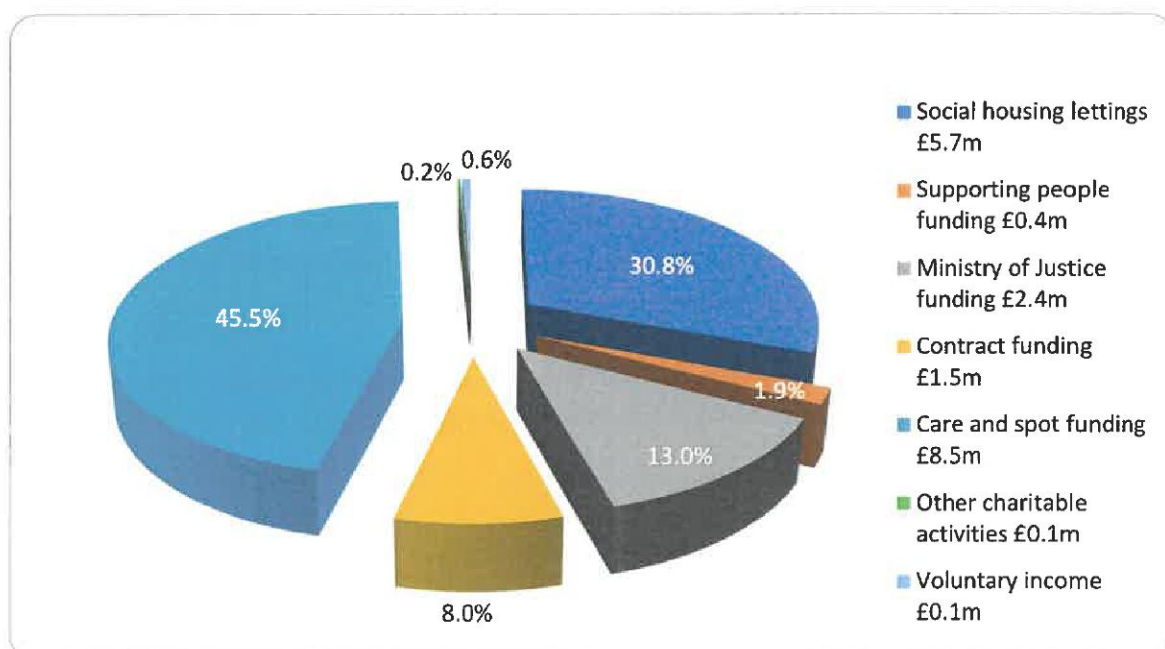
Despite the difficult trading position, some of which has continued into the new financial year, the Trustees remain confident that the Trust is on a pathway to a stronger and sustainable operating position in future years.

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

OPERATING INCOME 2022-23



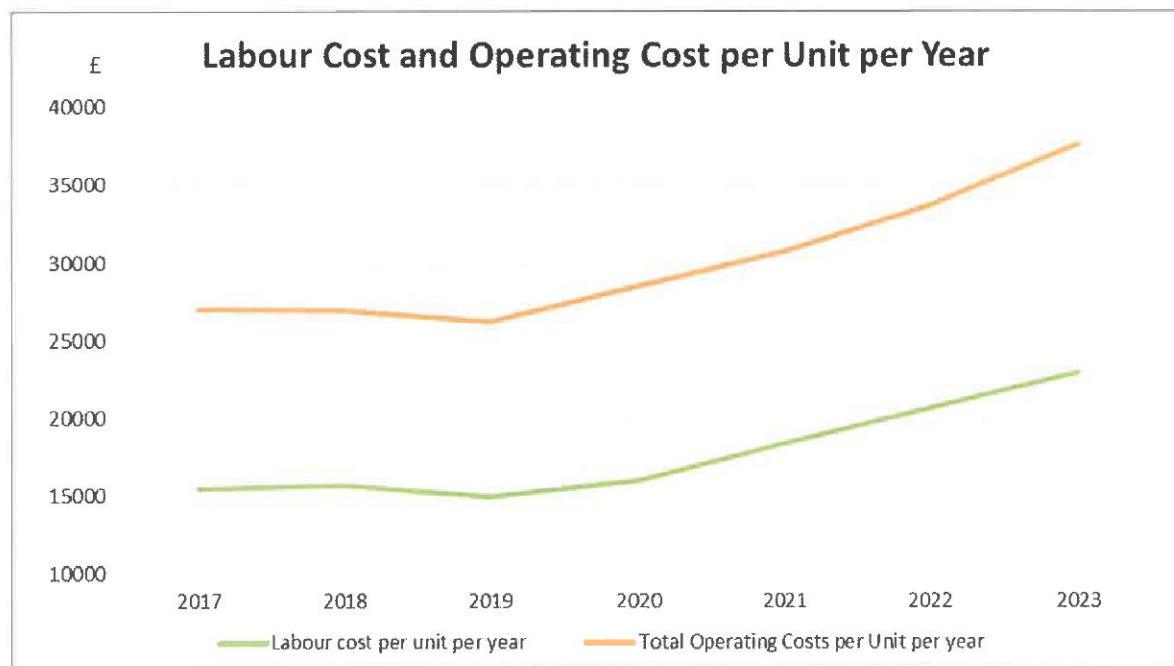
OPERATING EXPENDITURE 2022-23



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

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

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



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

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

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

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

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

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

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

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

KEY PERFORMANCE INDICATORS (KPIs)

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

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

VALUE FOR MONEY (VfM)

Our Approach to VfM

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

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

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

VfM Performance During the Year

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

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

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

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

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

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

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

Specific remarks on the RSH's metrics are:

1. **Re-investment** - is the acquisition and repairs and maintenance costs, plus expenditure on works to existing owned properties divided by the value of the properties owned by the organisation. The table in 4.1 shows that in 2022/23 the Group's investment in properties increased to 15.8% (up from 5.2% in 2021/22). This is largely driven by the significant reinvestment of funds to purchase a new care home.
2. **New supply** – the Regulator expects providers to report on both the supply of social and non-social housing units. It will calculate new supply from the total number of housing units acquired in the reporting period divided by the total number of units held at the end of that period. The number of new or replacement units taken on within the year amounts to 11 units compared to 13 in 2021/22.
3. **Gearing** – this metric is designed to assess the provider's reliance on debt and appetite for growth. It divides the total owed in loans and finance leases by the cost or deemed cost and/or valuation of housing properties and would therefore not be applicable to the Group.
4. **Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI)** – overall surplus (or deficit), plus other income received, less grants and capitalised repairs, plus total depreciation charge divided by the total capitalised interest in housing properties and interest payable and other financing costs. Designed to assess investment capacity by measuring surplus against a provider's interest payments, it would not currently apply to the Group.
5. **Headline social housing cost per unit** – an amalgamation of management, service charge, maintenance and repair costs, including capitalised major repairs and other related social housing expenditure such as neighbourhood and community costs divided by the total number of social housing units at the end of the reporting period. The increase to the cost base for social housing reflects the cost pressures in this area particularly with the external economic pressures driving significant increases in utility costs.
6. **Operating margin** – designed to assess the profitability of operating assets before exceptional expenses are taken into account and to give the Regulator an indication of overall value for money performance. The Regulator has proposed two measures: operating margin for social housing lettings calculated by dividing the operating surplus (or deficit) for social housing lettings by the turnover from social housing lettings only and operating margin overall, calculated by dividing the overall surplus (or deficit) by overall turnover. The Group's overall operating margin decreased by 2.0% in 2021/22 to (2.2%). The most significant factors impacting this measure are around a lower number of units to apportion the central cost base over, combined with the increasing use of agency staff in the face of a difficult recruitment market.
7. **Return on Capital Employed (ROCE)** – a common measure used in commercial business; the Regulator suggests that this metric will demonstrate the level of efficient investment of

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

MATERIAL ESTIMATES, CONTROL AND JUDGMENTS

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

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

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

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

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

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

VFM AND NON-SOCIAL HOUSING ACTIVITY

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

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

POST BALANCE SHEET EVENTS

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

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

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



BOARD'S RESPONSIBILITY STATEMENT

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

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

In preparing these financial statements the Board is required to:

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

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

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

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

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



Ruth Williams
Chair of the Board
12th July 2023

TRUSTEES' REPORT

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

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

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

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

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

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

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

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

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

COMPLIANCE WITH THE GOVERNANCE AND VIABILITY STANDARD

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

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

STAFF AND VOLUNTEERS

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

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

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

GENDER AND ETHNICITY PAY GAP REPORTING

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

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

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

STATEMENT ON THE TRUST'S SYSTEM OF INTERNAL CONTROL

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

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

- 1. Identification and evaluation of key risks** – Management responsibility has been clearly defined for the identification, evaluation, and control of significant risks. There is a formal and on-going process of management review in each area of the Trust's activities. The Executive Team regularly considers significant risks facing the Trust and the Chief Executive is responsible for reporting to the Trustees any significant changes affecting key risks. In accordance with the Group's Risk Management Policy, the Summary Risk Map is formally reviewed by the full Board at least once a year and the highest risks facing the Trust are discussed at each Audit, Risk & Compliance Committee meeting.
- 2. Environment and control procedures** – The Trustees retain responsibility for a defined range of issues covering strategic, operational, financial and compliance issues. The Trust's Articles of Association, policies and procedures cover issues such as delegated authority, segregation of duties, accounting, health and safety, data protection, fraud,

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

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

3. **Information and financial reporting systems** – The Trustees review and approve the annual budget and the 5-year financial plan for the Trust. Financial reporting procedures include detailed management accounts and forecasts, which are reviewed by the Executive Team and are presented to the full Board of Trustees monthly. The Board also reviews key performance indicators to assess progress towards the achievement of key business objectives, targets, and outcomes at each Board meeting.
4. **Monitoring and corrective action** – A process of regular management reporting on control issues provides assurance to senior management and to Trustees. This includes ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and delivery of our services.

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

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

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

The Trust takes fraud and other financial crime seriously. The Trust's Fraud and Prevention of Financial Crime 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 2022-2023 there were no significant losses identified as a result of fraud. The Trustees confirm that there is an on-going process for identifying and managing significant risks of fraud and other financial crime faced by the Trust. This process has been in place throughout the year, up to the date of the annual report and accounts, and is regularly reviewed by the Audit, Risk & Compliance Committee.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

The post-pandemic developments around hybrid working and the increasing use of IT systems inevitably increases the gateways for our systems to be subject to cyber threat. This is an area the Trust is investing in, and steps have been taken to improve the security of our systems, the robustness of our ability to detect and rebuff attacks, and to ensure that our key systems remain available for use at all times. The Trust acknowledges that this is an ever-changing landscape and the need to remain constantly vigilant in this area.

RESERVES

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

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

EQUALITY, DIVERSITY AND INCLUSION

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

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

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

HEALTH AND SAFETY

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

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

QUALITY AND QUALITY MANAGEMENT

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

PARTNERSHIPS

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

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

PUBLIC BENEFIT

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

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



Ruth Williams
Chair of the Board
12th July 2023



STATISTICS

for the year 2022-2023

116

clients identifying as
ethnically diverse

199

clients with self-
disclosed disability

474

bed spaces
available

2114

clients received our
services in the last year

67%

satisfaction reported
by clients for impactful
key-working with staff

915

clients accessed Activity
Hubs in the community

283

new lettings

80%

of clients surveyed
were satisfied with
service overall

4

Staff Networks
launched

168

Members engaged
with Clean Sheet

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2023

Opinion

We have audited the financial statements of Langley House Trust ('the Trust') and its subsidiaries ('the group') for the year ended 31 March 2023 which comprise the group and parent statement of comprehensive income, the group and parent statement of financial position, the group and parent statement of changes in reserves, the group cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the Trust's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2023

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 24, the trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Independent Auditor's Report to the Members of Langley House Trust Year ended 31 March 2023

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

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

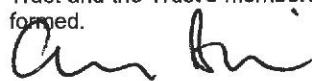
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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

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

Use of our report

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



Guy Biggin

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

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

Date: 31 August 2023

Langley House Trust
Statement of Comprehensive Income
For the Year Ended 31 March 2023

	Notes	Group 2023 £000	LHT 2023 £000	Group 2022 £000	LHT 2022 £000
Turnover	3	18,523	18,274	16,320	16,084
Cost of sales		-	-	-	-
Gross profit		18,523	18,274	16,320	16,084
Operating expenditure	3	(19,046)	(18,670)	(16,298)	(16,119)
Operating surplus	3	(523)	(396)	22	(35)
Movement in fair value of investments	15	(40)	(40)	66	66
Loss on disposal of fixed assets	7	(7)	(7)	-	-
Interest receivable and other income	8	60	60	29	29
Surplus before tax		(510)	(383)	117	60
Taxation		-	-	-	-
Surplus/(Deficit) for the year after tax		(510)	(383)	117	60
Total comprehensive income for the year		(510)	(383)	117	60

The notes on pages 40 to 58 form an integral part of these accounts

Langley House Trust
Statement of Financial Position
For the Year Ended 31 March 2023

	Note	Group 2023 £000	LHT 2023 £000	Group 2022 £000	LHT 2022 £000
FIXED ASSETS					
Housing properties	13	7,984	7,984	6,361	6,361
Other fixed assets	14	253	253	306	306
Investments	15	963	963	1,003	1,003
Total fixed assets		9,200	9,200	7,670	7,670
CURRENT ASSETS					
Debtors	16	1,808	1,908	1,726	1,725
Cash in hand and at bank		3,702	3,298	5,721	5,310
Total current assets		5,510	5,206	7,447	7,035
Less Creditors: amounts falling due within one year	17	(2,907)	(2,856)	(2,722)	(2,690)
Net current assets		2,603	2,350	4,725	4,345
Total assets less current liabilities		11,803	11,550	12,395	12,015
Creditors: amounts falling due after more than one year	18	(2,760)	(2,760)	(2,842)	(2,842)
Total net assets		9,043	8,790	9,553	9,173
Reserves					
Restricted reserves		8	8	5	5
Revenue reserves		9,035	8,782	9,548	9,168
Total capital & reserves		9,043	8,790	9,553	9,173

The financial statements were approved and authorised for issue by the Board on 12th July 2023 and were signed on its behalf by:


Ruth Williams
Chair of the Board


Andrew Newell
Board Member


Simon Herbert
Secretary

Registered Company number: 7888191

The notes on pages 40 to 58 form an integral part of these accounts.

Langley House Trust
Statement of Changes in Reserves
For the Year Ended 31 March 2023

GROUP

	Income and expenditure reserve £000	Restricted reserves £000	Total £000
Balance as at 31 March 2021	9,421	15	9,436
Surplus for the year	117	-	117
Transfers from restricted reserves	10	(10)	-
Balance as at 31 March 2022	9,548	5	9,553
Surplus/(Deficit) for the year	(510)	-	(510)
Transfers from/(to) restricted reserves	(3)	3	-
Balance as at 31 March 2023	9,035	8	9,043

LHT

	Income and expenditure reserve £000	Restricted reserves £000	Total £000
Balance as at 31 March 2021	9,098	15	9,113
Surplus for the year	60	-	60
Transfers from restricted reserves	10	(10)	-
Balance as at 31 March 2022	9,168	5	9,173
Surplus/(Deficit) for the year	(383)	-	(383)
Transfers from/(to) restricted reserves	(3)	3	-
Balance as at 31 March 2023	8,782	8	8,790

The notes on pages 40 to 58 form an integral part of these accounts.

**Langley House Trust
Cash Flow Statement
For the Year Ended 31 March 2023**

GROUP	Note	2023 £000	2022 £000
Net cash from operating activities	i	2	298
Cash flow from investing activities			
Purchase of housing properties		(1,993)	(547)
Purchase of other fixed assets		(89)	(95)
		(2,080)	(344)
Cash flow from financing activities			
Interest received		61	29
Net change in cash equivalent		(2,019)	(315)
Cash and cash equivalents at beginning of the year		5,721	6,036
Cash and cash equivalents at the end of the year		3,702	5,721
Note i - reconciliation of net cash flow from operating activities		2023 £000	2022 £000
(Loss)/Surplus for the year		(523)	117
Depreciation of tangible fixed assets		504	486
Amortisation of Grants		(82)	(83)
Loss/(Profit) on disposal of asset		-	3
Other non cash changes		-	(66)
Interest received		(1)	(29)
(Decrease)/Increase in provisions		-	(36)
(Increase)/Decrease in debtors		(180)	(230)
Increase in creditors		284	136
Net cash inflow from operating activities		2	298

The notes on pages 40 to 58 form an integral part of these financial statements.

Langley House Trust Notes to the Financial Statements Year ended 31 March 2023

1. LEGAL STATUS

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

2. PRINCIPAL ACCOUNTING POLICIES

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2022.

Basis of accounting

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

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

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

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

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

Basis of consolidation

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

Going concern

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

Langley House Trust

Notes to the Financial Statements

Year ended 31 March 2023

Turnover

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

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

Supporting People income and expenditure

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

Legacies

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

Donations, gifts and other income

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

Operating leases

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

Pensions

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

Employee Benefits

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

Taxation

Parts of the group charge value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. Income is shown in the accounts net of any VAT charged. Expenditure is shown in the accounts inclusive of VAT less the value of any VAT recoverable from HM Revenue and Customs. The balance of any VAT payable or recoverable is included as a current liability or asset in the Statement of Financial Position.

Langley House Trust Notes to the Financial Statements Year ended 31 March 2023

Fixed assets

Valuation of housing properties

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

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

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

Depreciation and impairment of fixed assets, including housing properties

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

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

Freehold properties (excluding land):

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

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

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

Works to existing housing properties

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

Langley House Trust Notes to the Financial Statements Year ended 31 March 2023

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

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

Social Housing and Government Grants (SHG)

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

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

Non-monetary government grants

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

Investments

Investments are stated at market value.

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

Provisions

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

Restricted reserves

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

Langley House Trust Notes to the Financial Statements Year ended 31 March 2023

Revenue reserves

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

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

Financial instruments held by the Group are classified as follows:

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

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

Judgements and key sources of estimation uncertainty

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

a) Categorisation of housing properties:

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

b) Impairment:

The Trust has identified a cash generating unit for impairment assessment purposes at a property scheme level.

Other key sources of estimation and assumptions:

Tangible fixed assets

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

Recoverability of rent arrears

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

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

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

GROUP	Turnover	Operating costs	2023 Gain/(loss) on disposal of property, plant and equipment £000	Operating Surplus/ (deficit) £000
	£000	£000	£000	£000
Social Housing Lettings(Note 5)	5,347	5,749	-	(402)
Other social housing activities				
Supporting People	349	355	-	(6)
Activities other than social Housing				
Care	8,176	8,491	-	(315)
Ministry of Justice	2,603	2,423	-	180
Other government contracts	1,340	1,475	-	(135)
Voluntary Income	353	114	-	239
Prison Services	162	140	-	22
Other	158	268	-	(110)
Income for generating funds	35	31	-	4
Gain on disposal of property, plant and equipment	-	-	-	-
	18,523	19,046	-	(523)

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

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

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

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

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

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

4. UNITS/BED SPACES - GROUP

	Social Housing Lettings		Other Social Housing		Total
	Supported Housing	Care Homes	Registered Care Beds	General Needs	
Social Housing					
At 31 March 2023	381	-	116	-	497
At 31 March 2022	390	-	90	-	480
			2023	2022	
Non-social Housing					
Under management at start of year		3	3		
Under management at end of year		3	3		

The Trust also owns 43 units (2022: 43 units) of accommodation managed by a third party. As the rights and obligations of the scheme have been transferred to the managing organisation, these units are not included in these accounts.

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

5. TURNOVER AND OPERATING EXPENDITURE

GROUP AND LHT	Supported housing 2023 £000	Care Homes 2023 £000	TOTAL 2023 £000	TOTAL 2022 £000
INCOME				
Rents receivable	2,563	70	2,633	2,578
Service income	2,574	58	2,632	2,412
Amortised government grants	65	17	82	82
Turnover from Social Housing Lettings	5,202	145	5,347	5,072
EXPENDITURE				
Management	2,307	83	2,390	2,372
Services	2,461	32	2,493	2,195
Routine maintenance	361	18	379	404
Planned maintenance	41	6	47	43
Bad debts	232	(4)	228	186
Depreciation of Housing Properties	204	8	212	195
Operating costs on Social Housing Lettings	5,606	143	5,749	5,395
OPERATING (DEFICIT) /SURPLUS ON SOCIAL HOUSING LETTINGS ACTIVITIES	(404)	2	(402)	(323)
Void losses	(806)	(47)	(853)	(1,140)

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

6. OPERATING SURPLUS

	Group	LHT	<i>Group</i>	<i>LHT</i>
Is stated after charging/(crediting):	2023	2023	<i>2022</i>	<i>2022</i>
	£000	£000	<i>£000</i>	<i>£000</i>
Depreciation of housing properties	363	363	330	330
Depreciation of other tangible fixed assets	142	142	156	156
Operating lease rentals:				
Land and buildings	493	493	477	477
Office equipment	5	5	4	4
Auditors remuneration (excluding VAT)				
In their capacity as external auditors	21	16	19	15
Other fees	11	6	12	12
Loss on sale of other fixed assets	(7)	(7)	-	-

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

	Group	LHT	<i>Group</i>	<i>LHT</i>
	2023	2023	<i>2022</i>	<i>2022</i>
	£000	£000	<i>£000</i>	<i>£000</i>
Proceeds of sales	-	-	5	5
Carrying value of fixed assets disposed of during the year	(7)	(7)	-	-
(LOSS)/SURPLUS ON DISPOSAL	(7)	(7)	5	5

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

8. INTEREST RECEIVABLE AND OTHER INCOME

	Group	LHT	Group	LHT
	2023	2023	2022	2022
	£000	£000	£000	£000
Dividends received on investments	30	30	27	27
Bank interest	30	30	2	2
TOTAL	60	60	29	29

9. EMPLOYEE INFORMATION

	Group	LHT	Group	LHT
	2023	2023	2022	2022
The average number of staff employed during the year, expressed as full time equivalents, (i.e. 35 hours per week) was:	302	289	292	281
Staff costs	Group	LHT	Group	LHT
	2023	2023	2022	2022
	£000	£000	£000	£000
Wages and salaries	8,346	8,056	7,041	6,767
Social security costs	796	774	644	624
Other pension costs	348	335	312	300
Other Employee benefits	5	5	83	83
TOTAL	9,495	9,170	8,080	7,774

During the year ended 31 March 2023, the Trust made severance and redundancy payments of £10k (2022: £12k).

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

	Group	LHT	Group	LHT
	2023	2023	2022	2022
£60,000 - £70,000	-	-	3	3
£70,000 - £80,000	2	2	1	1
£80,000 - £90,000	2	2	1	1
£110,000 - £120,000	1	1	1	1

Langley House Trust Notes to the Financial Statements Year ended 31 March 2023

10 PENSION OBLIGATIONS

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

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

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

11 DIRECTORS' EMOLUMENTS

No emoluments were paid to Company Directors in 2023 or 2022 by the Trust. They do receive reimbursement of necessary expenses incurred on behalf of the Trust. In 2023 reimbursement of Directors' expenses totalled £3.0k (2022: £0.4k).

	Group 2023 £000	LHT 2023 £000	<i>Group 2022 £000</i>	<i>LHT 2022 £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	490	490	387	387
The emoluments paid to highest paid officer (Chief Executive), including benefits-in-kind but excluding employer's pension contributions	117	117	112	112

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

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

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

12 TAXATION STATUS

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

13 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

GROUP AND LHT

	Completed £000	Under Construction £000	Total £000
COST/VALUATION			
At 1 April 2022	10,610	-	10,610
Additions	1,955	38	1,993
Transfers	-	-	-
Disposals	(20)	-	(20)
At 31 March 2023	12,545	38	12,583

DEPRECIATION

At 1 April 2022	4,249	-	4,249
Charge for year	363	-	363
Eliminated on Disposals	(13)	-	(13)
At 31 March 2023	4,599	-	4,599

NET BOOK VALUE at 31 MARCH 2023

7,946	38	7,984
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NET BOOK VALUE at 1 April 2022

6,361	-	6,361
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Housing properties comprise:

	2023 £000	2022 £000
Freeholds	7,572	5,968
Long Leaseholds	16	16
Short Leaseholds	358	377
Assets under construction	38	-
	7,984	6,361

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

14 TANGIBLE FIXED ASSETS – OTHER

GROUP AND LHT

	Plant & equip £000	Motor vehicles £000	Total £000
COST/VALUATION			
At 1 April	763	278	1,041
Additions	59	30	89
Disposals	-	-	-
At 31 March	822	308	1,130
DEPRECIATION			
At 1 April	529	206	735
Charge for year	102	40	142
Disposals	-	-	-
At 31 March	631	246	877
NET BOOK VALUE at 31 March 2023	191	62	253
NET BOOK VALUE at 1 April 2022	234	72	306

15 FIXED ASSET INVESTMENT

LHT & Group	2023 £	2022 £
Market value of investments at start of year	1,003	937
Market value of investment sold during the year	-	-
Market value of investments at end of year	963	1,003
(Loss)/Gain in value during the year	(40)	66
(Loss)/Gain recognised in the Statement of Comprehensive Income	(40)	66
Historic Cost of Investments	599	599

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

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

16 DEBTORS

	Group	LHT	<i>Group</i>	<i>LHT</i>
	2023	2023	<i>2022</i>	<i>2022</i>
	£000	£000	<i>£000</i>	<i>£000</i>
Amounts falling due within one year:				
Rent arrears	1,186	1,186	898	898
Less: provision for bad debts	(987)	(987)	(709)	(709)
Non rental arrears	1,274	1,274	1,175	1,175
Less: provision for bad debts	(145)	(145)	(177)	(177)
Prepayments and accrued income	480	480	539	538
Intercompany balance	-	100	-	-
	1,808	1,908	1,726	1,725

17 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	LHT	<i>Group</i>	<i>LHT</i>
	2023	2023	<i>2022</i>	<i>2022</i>
	£000	£000	<i>£000</i>	<i>£000</i>
Rent credit balances	239	239	278	278
Non rental credit balances	613	613	547	547
Trade creditors	217	217	232	232
Taxation, social security and pension payable	276	260	238	223
Accruals and deferred income	1,478	1,443	1,343	1,326
SP contract income received in advance	-	-	1	1
Deferred Capital Grant (note 18b)	84	84	83	83
	2,907	2,856	2,722	2,690

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

	Group	LHT	<i>Group</i>	<i>LHT</i>
	2023	2023	<i>2022</i>	<i>2022</i>
	£000	£000	<i>£000</i>	<i>£000</i>
Deferred Capital Grant (note 18b)	2,760	2,760	2,842	2,842
	2,760	2,760	2,842	2,842

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

18 (b) DEFERRED CAPITAL GRANT

	Group 2023 £000	LHT 2023 £000	Group 2022 £000	LHT 2022 £000
At the start of the year	2,927	2,927	3,008	3,008
Grant received during the year	-	-	-	-
Released to income in the year	(83)	(83)	(83)	(83)
At the end of the year	2,844	2,844	2,925	2,925
Amount due to be released <1 year	84	84	83	83
Amount due to be released >1 year	2,760	2,760	2,842	2,842
	2,844	2,844	2,925	2,925
Total grant received	4,721	4,721	4,721	4,721

19 PROVISIONS FOR LIABILITIES AND CHARGES

GROUP AND LHT	2023 £000	2022 £000
Opening balance as at 1 April	-	36
Utilised in the year	-	(36)
Additional provision	-	-
Closing balance as at 31 March	-	-

Langley House Trust
Notes to the Financial Statements
Year ended 31 March 2023

20 CAPITAL COMMITMENTS

	Group 2023 £000	LHT 2023 £000	<i>Group 2022 £000</i>	<i>LHT 2022 £000</i>
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	559	559	149	149

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

	Group 2023 £000	LHT 2023 £000	<i>Group 2022 £000</i>	<i>LHT 2022 £000</i>
Revenue reserves of the Trust	559	559	149	149
	559	559	149	149

21 OPERATING LEASES

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

	Group 2023 £000	LHT 2023 £000	<i>Group 2022 £000</i>	<i>LHT 2022 £000</i>
Land and buildings:				
In one year or more but less than two years	150	150	276	276
In two years or more and less than five years	371	371	372	372
In five years or more	54	54	131	131
Others, which expire:				
In one year or more but less than two years	4	4	4	4
In two years or more and less than five years	5	5	9	9
In five years or more	-	-	-	-

Langley House Trust Notes to the Financial Statements Year ended 31 March 2023

22 RELATED PARTIES

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

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

	2023 £000	2022 £000
Management charges from subsidiaries	16	16
Funding grant provided to subsidiaries	-	179

Management Charges

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

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

23 SUBSIDIARY UNDERTAKINGS

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

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

Langley House Trust Notes to the Financial Statements Year ended 31 March 2023

24 FINANCIAL INSTRUMENTS

a. GROUP

	2023 £000	2022 £000
Financial Assets Measured at Amortised Cost:		
Rent and Service Charge Debtors	199	189
Other Debtors	1,130	999
Cash and Cash Equivalents	3,702	5,721
Total Financial Assets	5,031	6,909
Financial Liabilities Measured at Amortised Cost:		
Trade Creditors	217	232
Other Creditors	2,331	2,163
Total Financial Liabilities	2,548	2,395

a. LHT

	2023 £000	2022 £000
Financial Assets Measured at Amortised Cost:		
Rent and Service Charge Debtors	199	189
Other Debtors	1,129	998
Cash and Cash Equivalents	3,298	5,310
Total Financial Assets	4,626	6,497
Financial Liabilities Measured at Amortised Cost:		
Trade Creditors	217	232
Other Creditors	2,295	2,153
Total Financial Liabilities	2,512	2,385

25 POST BALANCE SHEET EVENTS

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

On April 1st, 2023, the trade and assets of Kainos Community will be acquired by Langley House Trust, and Kainos Community ceased trading.

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