

HOUSING PATHWAYS TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

Social Housing Regulator No. A0376

Charity Registered No. 211053

HOUSING PATHWAYS TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

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HOUSING PATHWAYS TRUST
ANNUAL REPORT OF THE TRUSTEE
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY

Charity Registration

Housing Pathways Trust is governed by a Scheme issued by the Charity Commissioners for England and Wales on the 18th May 2000 (consolidating Ealing Consolidated Charities, Bowman and Taylor Trust, Bowman and Others: Brentford Trust and Bowman Ecclesiastical Trust into The Ealing and Brentford Consolidated Charity, since renamed), as amended by resolution dated 24th March 2011 and as amended by a further Scheme issued on the 5th January 2012.

The charity is registered with the Regulator of Social Housing as a Registered Provider (No. A0376).

Principal and Administration Address

Registered office of Corporate Trustee:
33 Dean Court
Bowmans Court
Ealing,
London
W13 9YU

Corporate Trustee

The Corporate Trustee of the charity is Housing Pathways, a company limited by guarantee, (Company number 07626917, and Charity registered number 1143249). The directors of the Corporate Trustee who held office during the year and up to the date of signature of the financial statements, who are also the trustees, were as follows:

Rev. Mark Melliush	Ex-Officio, Chair
Mr Stephen McNaughton	Retired 5 May 2021
Ms Janet Weekes	
Ms Katherine Yentumi	
Mr Dillan Blake-Smith	
Ms Isabella Rossi	
Mr Matthew Doyle	
Ms Alice Mackenzie	Retired 31 March 2021
Ms Andrea Joseph	Appointed 17 September 2020
Mr Andrew Jefford	Appointed 29 July 2021

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY (continued)

Officers and advisors

Chief Executive Officer and management team

The Board appointed Steve McNaughton as interim Chief Executive on a consultancy basis in May 2021. Leanne Donald-Whitney was appointed as Head of Operations in July 2020 and Bolaji Campell is the Finance Manager & Company Secretary.

Bukky McGlynn, CEO left Pathways on 9th October 2020 and Abby Akinola, Head of Finance and IT left Pathways on 20th August 2021.

Principal Advisors

Principal Auditors

Knox Cropper LLP
Chartered Accountants
65 Leadenhall Street
London
EC3A 2AD

Principal Chartered Surveyors

Ingleton Wood
10 Lake Meadows Business Park
Woodbrook Crescent
Billericay
Essex
CM12 0EQ

Principal Bankers

National Westminster Bank Plc
1 The Mall
Ealing
London
W5 2PL

Principal Solicitors

Devonshires
30 Finsbury Circus
London
EC2M 7DT

Principal Investment Managers

Investec Wealth & Investment Limited
30 Gresham Street
London
EC2V 7QN, United Kingdom

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

Housing Pathways Trust is an unincorporated charity which is governed by a Scheme issued by the Charity Commissioners for England and Wales on 18th May 2000 as amended by resolution dated 24th March 2011 and a further Scheme issued on the 5th January 2012.

The Charity is the consolidation of a number of smaller charities dating back to the sixteenth century with the areas of benefit incorporating the London Borough of Ealing and the town of Brentford.

How Trustees are Recruited, Appointed, Inducted and Trained

Housing Pathways is the corporate Trustee. There are no geographical restrictions on director appointment and applications from persons living in Greater London boroughs, particularly where we have a presence, are welcomed. Vacancies are advertised in the local press and on charity related websites, with a nationwide reach. Applicants for director vacancies are interviewed by the Chair of the Board and 2 other Board members of the nominations committee prior to appointments. All new directors have an induction session which covers core areas of the business.

Existing directors also have access to ongoing training opportunities, to assist them in fulfilling their roles and responsibilities. In addition to the Board meetings, directors attend an annual review day, which allows for detailed discussions on strategic planning issues.

Organisation and Management

Housing Pathways is the Corporate Trustee, but delegates most of the day-to-day management of the Charity to its Chief Executive and staff. The Chief Executive reports to the Chair and the Board of Directors of Housing Pathways. The Directors of Housing Pathways are also Trustees.

Housing Pathways provides a full management service to the Charity, including all operational, administrative and financial functions, for which it charges a management fee.

The Housing Pathways Board usually meets six times a year to agree strategy, oversee operations, manage risk and consider the financial standing of the Charity. In addition to the main meetings of the Board of Directors of Housing Pathways there are the following sub-committees which focus on specific areas of the business in more detail: Audit and Risk, Development and Asset Management, Grants and Nominations. Governance matters are dealt with by the main Board, except that the nominations sub-committee oversees the recruitment of new directors.

The Board and each sub-committee have an agreed Terms of Reference, detailing their purpose and responsibilities. The key decision-making protocols are contained in the Committees' terms of reference and the Financial Standing orders, the latter being reviewed by the Audit and Risk Committee annually.

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STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

In July 2021, the board appointed Joshua Reddaway as a co-optee to Audit & Risk Committee and Alice Mackenzie retired from the board and joined the Grant Committee as a co-optee in April 2021.

The Nominations committee agree the remuneration of the management team, which is then reflected in the annual budget and approved by the Board. The committee considers a range of peer organizations pay reviews as a benchmark, and the overall economic and regulatory conditions in which the Charity is expected to operate in the coming year. In assessing the April 2020 staff pay review, the prevailing CPI rate and uncertainty regarding covid-19 pandemic and its possible effect on the economy in general and house prices and rents in particular was taken into account.

Staff are responsible for carrying out the strategy agreed by the Board and the Chief Executive may act within the constraints of the overall expense budget agreed by the Board. The management team during the year comprised, in addition to the Chief Executive, a Housing team and a Finance team.

OBJECTIVES AND ACTIVITIES

Objects

The objectives of the charity are:

Branch 1 (as amended by the Charity Commission order of 5th January 2012):

(1) The objects of branch 1 are:

- (a) The provision of housing accommodation for persons who are in need, hardship or distress who (except in special cases to be approved by the Commission) are resident in the former Borough of Ealing or the London Borough of Ealing;
- (b) Such charitable purposes for the benefit of the residents as the trustees decide; and
- (c) The relief of persons resident in the London Borough of Ealing who are in need, hardship or distress.

Branch 2

The relief of persons who are in need, hardship or distress in Brentford and the surrounding areas.

Branch 3

To further the religious and other charitable work of the Church of England in the London Borough of Ealing.

Branch 4

To promote the education of children who are in need of financial assistance and are resident in the London Borough of Ealing.

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OBJECTIVES AND ACTIVITIES (continued)

Charity's Aims

The Charity's aims are to manage and improve performance to achieve Value for Money and better economies of scale in order to compare well with the best in our sector.

Activities

The trustees have had regard to Charity Commission guidance on public benefit. The Charity's activities (as below listed) meet the two key principles of public benefit as set out in Charities and Public Benefit which are that:

- a) There must be an identifiable benefit or benefits;
- b) Benefit must be to the public, or section of the public.

Housing for Older People

The Charity owns and manages 124 units of housing accommodation across six sites based in Ealing, which are let to older people who meet the below qualifying criteria: -

- (a) aged 60 years or over;
- (b) resident now and for the past 2 years in the London Borough of Ealing;
- (c) capable of living independently; and,
- (d) of limited means.

A further 8 units are let to general needs residents. The weekly maintenance contribution (i.e. the housing charge for the accommodation) is set in accordance with the Social Housing Regulator's rent formula and there are 6 units let privately because older residents could not be found or they were considered unsuitable for social housing use.

In total the charity owns and manages 138 units of accommodation consisting of 124 for older people across 6 sites, 8 general needs units across 2 sites, all in Ealing (2020: 132 units) and 6 units (2020: 6 units) let on private rents. The weekly maintenance contribution (accommodation charge) is set in accordance with the Social Housing Regulator's rent formula and increases are based on Consumer Price Inflation.

In 2020-21 we housed 11 new residents in our Almshouse accommodation for older people.

During the year we completed refurbishment of kitchens, bathrooms and replacement of boilers in Dean Court, Bowmans Court, Tawny Close, Castlebar Park.

New courtyard improvement at Dean Court- allowing residents to enjoy their communal areas.

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OBJECTIVES AND ACTIVITIES (Continued)

Allotments

The Charity owns two large allotment sites in Ealing which are let to residents of the borough. A committee of plot-holders manages each of these. The Charity offers concessions for people on a low income whilst others pay the full rent.

Ealing Green

The Charity owns the freehold of a building overlooking Ealing Green and adjacent to the Ealing Broadway Shopping Centre. The building consists of a small parade of 8 shops with 13 apartments above. The flats are all let on long leases, whilst the shops are let on a fixed term of 10 years with various expiry dates.

Grants

Surplus income generated from the above retail activity at Ealing Green funds the Charity's main grants programme in Branches 1 and 2.

Grants are also provided under:

- Branch 3 from an ecclesiastical fund to recipients determined by the Ealing Deanery Synod.
- The Grassroots fund.

The main grants programme covers the Ealing W5, W7 and W13, and the Brentford TW8 postcodes. The grant giving policy contributes to our aims and objectives as it covers a number of criteria so that we consider applications from organisations or projects that:

- Strengthen the local voluntary and community sector
- Aim to alleviate poverty by tackling root causes
- Promote healthy living among disadvantaged groups
- Help disadvantaged people in the community to access local services
- Improve educational and employment opportunities
- Tackle homelessness
- Overcome isolation
- Support victims of domestic violence
- Provide counselling and support services
- Meet the need of disadvantaged people who have or care for those with disabilities
- Promote social cohesion and/or cross-generational activities

REVIEW OF ACHIEVEMENTS AND PERFORMANCE

This report covers the activities of Housing Pathways Trust for the year ended 31 March 2019.

Distributive grants

Overall grants awarded by Housing Pathways Trust in 2020-21 amounted to £120,188 (2020: £94,251).

The main Pathways Grants programme is funded from the net rental income derived from our commercial shops at The Green, Ealing, which is split equally between branches 1 (Ealing) and 2 (Brentford).

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE continued

Distributive grants continued

Our main programme strategy is to fund work which benefits people in communities. We support full cost recovery and will consider giving grants for up to 3 years for organisations that are able to demonstrate that they have monitored and evaluated their work, have learned lessons and refined their approach, and have achieved their stated results. However, we do generally limit our programme to small organisations defined as those with an annual income of less than £100,000 a year.

Main programme recipients from branches 1 and 2 were as follows:

Recipients:	Project	Grant
Bless Community Church	Funding an Early Years Development Workers within a baby and toddler project which provides training opportunities to parents. The 'Playtime' project serves young families across the Ealing area on a weekly basis.	£27,105
Ealing Club CIC	The Ealing Club Eclectic 2020 project support 350 aged between 16-22 years who will have the opportunity to work alongside sound engineers to develop a career in sound engineering.	£5,000
Voice of Somali Community	The Families First project benefitted 120 people from the Somali community, mainly refugees and includes children. A major difficulty of the Somali community is their lack of familiarity with the institutions, organisations, and norms of UK society. This project aims to alleviate these difficulties through advocacy work.	£9,800
Ealing Law Centre	The Ealing Law Centre project is a provision of free legal advice and advocacy at Courts and Tribunals. The request for funding was for additional hours for a 'Crisis Navigator' to provide weekly one to one support for a period of 10 weeks, and help people navigate the appeals and tribunal system.	£4,000
Ealing Mediation Service	The project promoted the provision of services directed towards mediation, conciliation, or reconciliation as between persons, organisations, authorities or groups involved or likely to become involved in dispute or interpersonal conflict. They promote mediation awareness to parents and guardians of students and school staff via 26 site visits and publicity materials to all state schools/colleges in W5, W7 & W13.	£5,000
Maggie's Centre	The Maggie's Centre Trust is established to relieve the suffering and distress and to further the health of persons with cancer their families and carers. In the 6 weeks the Pathways grant funded the Centre head salary, this supported around 2,270 people with cancer either in the Centre or online	£10,000
Into the Light	Childhood Abuse Support Project- supported 16 women to improve their emotional wellbeing and tackle isolation by connecting them to other survivors. The project was a two 10-week psychoeducational course for adult survivors of childhood sexual abuse in Ealing. It focused on the impact of sexual abuse in adults.	£4,000

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE continued

Distributive grants continued

Recipients:	Project	Grant
Centre for Armenian Information & Advice	CAIA seeks to enhance the quality of life for disadvantaged members of the Armenian community in London, specifically those living in isolation, poverty, or distress. The project support 450 people from the Armenian community to improve and help them access services. 40% of the users are based in Ealing and Hounslow and the grant money will help fund a full-time advice worker.	£9,996
Gurnell Grove Community Trust	The Community Socials project took the form of two schemes which will run concurrently - a weekly Community Lunch club and a monthly Community Pop-Up. The grant will train Community Workers as a registered Mental Health First Aider so they can better support residents with enhanced skills in this area.	£7,987
The Living Room (Acton Baptist)	The grant was used to cover costs of youth workers to carry out projects among teenagers in Acton who need adult support.	£7,500
Welshore Community	The grant was used for two purposes -Sewing Group Project was to promote and enhance sewing skills. Knit and Natter Group -To improve the well-being of residents in West London, by providing activities and services which will educate, inform, and bring people who are isolated, vulnerable, and excluded together, to engage in social activities which foster inclusiveness, participation, and co-operation.	£5,000
Crossway Pregnancy Crisis Centre	The Girls Project -is work Crossway Pregnancy Crisis Centre do in schools in Brentford and Ealing. The school's coordinator runs the Girls Project at Brentford Football Club. The activities are based around self-esteem, body image, peer pressure, relationships, and consent. It was a 7-week programme with maximum of 8 girls at a time	£1,500
The Mulberry Centre	The Mulberry Centre is a cancer support charity. The project aims to improve the emotional, psychological, and physical wellbeing of Ealing and Brentford residents who are affected by cancer. These residents will include people affected directly with a diagnosis.	£10,000
		Cont/...

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE continued

Distributive grants continued

Covid 19- Emergency Grant

Pathways has also launched a Covid-19 Emergency Grant to help support local charities working with vulnerable communities impacted by Covid-19 since the start of the Pandemic. So far since April 2020 to March 2021 we have paid the grants to the following organisations:

Recipients:	Project	Grant
Afghanistan & Central Asian Association	The project support hardest hit communities in Ealing during COVID-19 for a period of 12 weeks. They communicate with service users in their own languages offering support through interpreting and translating, counselling, reassurance, social contact, assistance and advocacy with financial issues, benefits issues, citizenship applications, guidance and support to victims of domestic violence, mental health support and signposting to relevant health services.	£1,200
Armenian Church Trust	The project will cover costs related to travel of the volunteers. Help Buying essentials and food and PPE for the volunteers to not only keep themselves safe but also the vulnerable and people that need to self-isolate due to medical issues.	£1,500
The Felix Project	The Felix Project rescues food that cannot be sold and would otherwise go to waste. This food is in-date, safe and nutritious, and includes a high proportion of fresh fruit and vegetables as well as baked goods, salads, meat and fish. Their staff checked, sorted and then delivered food to their frontline charities, primary schools and holiday programmes in London.	£1,500
Dementia Concern	The project involves 3 Deliveries to 125 Live-alone Clients with dementia: The costs of deliveries to Dementia Concern's clients living alone with dementia.	£1,500
Neighbourly Care	Neighbourly Care provide services to reduce social isolation and loneliness for vulnerable adults, older people, and their carers. Neighbourly Care will continue to provide a telephone befriending service, shopping support service for Ealing vulnerable residents during Lockdown.	£1,500
Home Start Ealing	Home Start Ealing help to tackle increased challenges facing families in particular in relation to their mental and economic health and to tackle the serious issue of social isolation as many families with children under 5 have felt unable to leave their homes throughout the pandemic and feel very anxious about taking steps to move on.	£1,500
MHA Ealing Live Home Scheme	The project help to support shielding/self-isolation through weekly, bi-weekly, daily telephone befriending for older people who are currently self-isolating due to Covid19.	£1,500
		Cont/...

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE (continued)

Distributive grants (continued)

Age UK	Typically, Age UK's beneficiaries are those age over 65 with diverse needs, people who live alone or don't have regular visitors or contacts. Since the pandemic, they receive up to 12 referrals per week. The grant is used to provide regular support to beneficiaries by telephone.	£1,500
Reverse the Trend Foundation	The funding is for delivering online mental health support to our current users in Ealing which is approximately 200 young people. They will work with children raising awareness of how their brains work, how to manage anxiety, stress and regulate impulse control which will be prevalent during this pandemic.	£1,500
The Log Cabin	Project for ongoing core costs and to ensure we can keep their doors open to serve the 300 families that depend on their services. Many of these children have extreme disabilities and additional needs. A large portion of the children live in flats and do not have access to suitable outdoor garden space. They need a safe space to play as well as require 1:1 supervision.	£1,500
Shooting star Children's Hospices	The grant for one night of emergency respite care to a family who need it most. Occasionally, a family may require short notice support due to an unexpected situation that arises. This may include the child's main carer being taken ill, deterioration of the child's condition or a major facilities failure at home for a prolonged period.	£1,500
Maggie's Centre	The Maggie's Centre provides cancer support to people over the phone, email and drop in 1:1 session to anyone affected by cancer in the West London area. The grant is for 30 cancer support sessions to help people with cancer and their family and friends understand their diagnosis, treatment, and life with cancer.	£1,500
Total		£120,188

Branch 3 grants are administered by the Ealing Deanery Synod, who handle all grant administration including seeking and assessing applications, deciding on grant recipients, carrying out all appropriate monitoring, and providing subsequent grant evaluations for scrutiny purposes. In 2020-21 the Synod requested that the grant award is suspended due to covid-19 pandemic but rolled over to 2022 grant award and in 2020 £15,129 was awarded to their agreed recipients. Whilst each of the grants is small in value, there is real and very beneficial impact on the churches involved and their level of outreach.

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Commercial Property

Our commercial property consists of a parade of shops at 19 to 26 The Green, with 13 apartments above, all let on 125 year leases. It is a well-known local landmark, on a busy route into Ealing Broadway, and is in a conservation area. It's been a challenging year for our commercial properties where 100% of the businesses have been impacted by Covid-19 and many unable to open until July 2021. In line with government legislation, it was important for Pathways to work with its commercial tenants to enable the businesses to remain financially sustainable. During Covid-19, Pathways Trustees agreed that they would support their Commercial tenants and based on individual assessments, Pathways provided financial support for the Shops between April 2020 and March 2021, to the total value of £53,650

Allotments

Demand for our allotments remains high and over-subscribed. The day-to-day responsibility for allotment management is in the hands of plot-holders committees, the Ealing Dean Allotment Society and the Haslemere Allotments Association, under a management agreement signed between the Charity and each committee. The allotment committees are paid a management fee to fund day-to-day maintenance and administration and the Charity pays for major works. The arrangements are working very well, and we are appreciative of the efforts of the two committees.

The Allotments has proved a real sanctuary for plot holders during the Covid pandemic. the allotments provided a vital open space where people could get fresh air, exercise and, of course, grow their own healthy fruit and vegetables. At a time when parks and other open spaces were often crowded, the allotment site offered a socially distanced refuge where you could safely talk to your plot neighbours and friends. Many plot holders said it was a 'lifeline' for both their physical and mental health.

VALUE FOR MONEY (VFM)

Our aim is to deliver services of the right quality economically, efficiently and effectively, thus meeting the needs of our residents and all other stakeholders. Housing Pathways is committed to continuously improving our VFM for our residents in all aspects of our business.

Our VFM reporting and analysis is now focused on the seven key metrics which are used for comparison across the sector. The peer group median used comprised 34 smaller housing associations primarily providing Housing for Older People accommodation nationally and of which 29 members' data was included in the calculation.

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VALUE FOR MONEY (VFM) continued

Value for Money Key Metrics

	HfOP peer group 2020-21	Housing Pathways (average)	Housing Pathways Trust
1. Reinvestment % Considers the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held.	2.80%	1.47%	0.63%
2. New Supply Delivered % The number of new social housing and non-social housing homes that have been acquired or developed in the year as a proportion of total social housing and non-social housing homes owned at period end. A. New supply delivered (Social housing homes) B. New supply delivered (Non-social housing homes)	0 0	0 0	0 0
3. Gearing % Assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.	1%	1.06%	11.70%
4. Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %. A key indicator for liquidity and investment capacity. Measures the level of surplus generated compared to interest payable	478%	1,265%	996%
5. Social Housing Cost Per Unit The headline social housing cost per unit as defined by the Regulator	£5,415	£6,000	£5,972
6. Operating Margin% Demonstrates the profitability of operating assets before exceptional expenses are taken into account. Increasing margins are one way to improve the financial efficiency of a business. A. Operating Margin (social housing lettings only) B. Operating Margin (overall) after adjusting for impairment and merger costs	10.2% 13.4%	3.10% 8.08%	3.12% 6.49%
7. ROCE % Compares the operating surplus to total assets less current liabilities. An assessment of the efficient investment of capital resources.	2.46%	1.28%	0.54%

In most of the key metrics Housing Pathways Trust's performance appears to be below that of the HfOP peer group of 2020-21. The charity does have loans which appear to be significantly higher than our peers, the loans also impact gearing and our ROCE.

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Social Housing Cost per Unit

	HfOP peer group 2020-21	Housing Pathways (average)	Housing Pathways Trust
Cost per home			
Management costs		2,493	2,708
Service charge costs		816	963
Routine maintenance cost		1,985	1,977
Planned maintenance		-	-
Major repairs expenditure		706	324
Other social housing costs		-	-
Total	£5,415	£6,000	£5,972

Some of the properties within the charity have undergone some planned maintenance work which aim to future proof our homes and ensure continued compliance with regulatory standards.

Upon completion of our planned maintenance programme and major repairs works we expect there to be significant cost reductions in future routine maintenance expenditure.

Return On Capital Employed

Proactive management of our assets through the planned maintenance programme was reduced in the year due to covid-19 pandemic. We are aware that returns from the operating activities are lower than would be expected from a commercial operation. This will be addressed as part of the transition to and implementation of the new strategic plan and focus of the organisation.

Key Performance Indicators (KPIs)

As members of the Housing for Older People benchmarking group, run by Acuity, which comprises about 34 similarly sized housing providers. We have access to a range of KPIs, both for the immediate group and national comparisons with Housemark, enabling us to compare performance and share good practice to drive improvements and reporting to stakeholders. The KPIs cover areas of organizational performance including resident satisfaction, Value for Money, repairs, lettings, voids, and compliance but they also provide benchmarking information on areas such as average working days lost due to staff sickness days.

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VALUE FOR MONEY (continued)

Key Performance Indicators

	HfOP 2020-21	Housing Pathways 2020-21	Housing Pathways 2019-20	Housing Pathways 2018-19
Current resident annual WMC collection rate	100%	-	103.2%	103.6%
Current resident arrears as a % of the annual WMC	0.9%	2.31%	2.73%	3.0%
Homes with a valid Gas Safety Certificate %	-	100%	100%	100%
All reactive repairs completed within target time %	95.7%	81%	85%	86%
Emergency repairs completed within target time %	100%	78%	79%	83%
Urgent repairs completed within target time %	97.9%	78%	82%	84%
Routine repairs completed within target time %	95%	87%	93%	89%

Information Communication Technology (ICT)

We have upgraded our IT equipment and have out in place plans to modernise software to ensure our systems are fit for purpose. We updated our website to make it more user friendly for our residents and stakeholders. In order to continuously improve services and streamline key processes, we will continue to improve and embrace the best of new and emerging digital technology.

COMPLIANCE WITH THE 2015 NHF CODE OF CONDUCT

Housing Pathways Trust adheres to the National Housing Federation 2015 code of Governance, except where specified below.

The code includes a provision that directors should serve no more than nine years in total, though in that regard Housing Pathway's Articles take precedence over the code in relation to the Nominated and Ex-officio directors. Housing Pathways, the Corporate Trustee, is compliant regarding directors' tenure and has appointed a number of new directors since 2018, based on needs identified through a skills audit. The board not only includes people from diverse backgrounds and with diverse attributes, their membership helps to ensure healthy debate and challenge from a range of perspectives, the board also has a majority of newer members.

In April 2021, The Board of Directors agreed to adopt the 2020 NHF code of Governance and work will be done to ensure the compliance with the 2020 code of Governance by March 2022.

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COMPLIANCE WITH THE 2015 NHF CODE OF CONDUCT (continued)

Our Asset & Liabilities register comprises details of our assets including investments, debtors, bank accounts, owned Housing properties including title and charges, property type, Weekly Maintenance Contributions by property, details of private lets and rents with cross references to the location of component values of housing stock. Management agreements and Ealing Green commercial property details are also cross referenced to the location of lease files held. Liabilities on the register include loans; planned maintenance and major repair contracts; leases; pension deficit information, insurance and claims information, Pay As You Earn and Value Added Tax obligations.

The Board continue to monitor the evolving landscape particularly in light of covid-19 pandemic and to ensure the stress testing of business plans with changing scenarios.

FINANCIAL REVIEW

The Charity recorded a net movement in fund of £551,716 (Restated 2020: deficit of £33,979), this is due increased in raising funds (increased in bad debt provision) and losses on defined benefit pension scheme and is offset by favourable movement on the value of investments to £617,973 (2020: adverse movement of £404,058).

In the year the Charity made a surplus on Social Housing lettings of £31,842 (Restated 2020: deficit of £30,838). Non-social housing activities including allotments, commercial properties and other income was £454,672 (Restated 2020: £490,919). Grants payable and grass roots management costs were £145,399 (Restated 2020: £111,324). After interest, investment fees and large movements on the carrying value of investments the charity ended the year with a net movement in fund of £551,716 (Restated 2020: deficit of £33,979).

The Statement of Financial Activities shows an increase of £551,716 in Funds to £14,195,769 (Restated 2020: £14,195,053) and is mainly attributable to an increase in the carrying value of fixed asset investments and prior year adjustments.

Reserves Policy and Reserves

Designated reserves are maintained in accordance with guidance issued by the National Almshouse Association for the cyclical maintenance and repair of the properties. Details of the designated reserves can be found in notes 18 and 19. The Trustees continue to review the Charity's reserves.

Total Reserves at 31st March 2021 of £14,746,769 (Restated 2020: £14,195,053) comprising Restricted Reserves of £1,911,091 (Restated 2020: £1,885,314), Permanent Endowment Funds of £8,628,707 (Restated 2020: £8,528,456) and Unrestricted Reserves of £4,206,971 (Restated 2020: £3,781,283) including Designated Funds of £1,616,851 (Restated 2020: £1,361,494) including a grant reserve of £269,073, and maintenance reserves totaling £1,347,778.

The level of maintenance reserves is considered adequate to cover any such costs that are likely to be charged to the revenue account. General reserves amount to £2,590,120 (Restated 2020: £2,419,789) and are in place to ensure ongoing trading in the event of any material loss of income, and as a result of the need to build up liquidity to fund future capital costs of Planned Maintenance and expansion of our housing stock.

HOUSING PATHWAYS TRUST
ANNUAL REPORT OF THE TRUSTEE
FOR THE YEAR ENDED 31ST MARCH 2021

FINANCIAL REVIEW (continued)

Investment Policy

The investment policy lodged with Investec is to invest prudently in a broad range of fixed interest securities and equities, which are quoted on a Registered Investment Exchange, and unit trusts, within an agreed range of percentage holdings for each class of investment. Companies engaging in or earning more than 10% of their profits from "home collected credit" represent the only ethical restriction in force. The next annual review of the investment providers and investment product is planned to be undertaken by December 2021.

Risk Management

The major risks to which the Almshouse charities are exposed, as identified by the Trustees, are regularly reviewed. In addition, the Trustees has put in place systems, policies, and procedures to mitigate these risks once they are identified and assessed. All reports presented to Board and sub-committees include an executive summary of risk which cross refers to the risks identified in the key risks register.

The Key risks and uncertainties facing the charity cover several areas of operation and are controlled using procedures and sub-committee overview identifies further mitigations and the responsible manager. Key risk includes the long-term impact of the Covid-19 pandemic e.g. loss of income, residents' well-being. Other risks identified are breach of legislation or covenants, compliance failure, a build-up of arrears and misappropriation of funds through fraud.

The new regulation and legislation in response to the Grenfell fire will lead to further legislation which may well be costly for an organisation of Housing Pathways' size.

Fraud

The Board has a policy on fraud covering prevention, detection and reporting of fraud and the recovery of assets. The Chair and Vice Chair are notified immediately of any attempted fraud.

HOUSING PATHWAYS TRUST
ANNUAL REPORT OF THE TRUSTEE
FOR THE YEAR ENDED 31ST MARCH 2021

FINANCIAL REVIEW (continued)

Anti-bribery policy statement

We seek to maintain the highest standards of ethics and integrity in the way we conduct our business. We recognise that bribery and corruption in all its forms, is illegal and unacceptable. Our bribery policy statement has been integrated into our code of conduct and our gifts and hospitality policy, adopted by the Board, signed by the Chairman and Chief Executive. We expect our business partners to adopt a similar approach to bribery or corruption.

FUTURE PLANS

Our key priorities are to:

- Improve customer satisfaction and deliver value for money for our residents
- Carry out planned maintenance in our alms-houses in accordance with our stock condition survey and planned maintenance programme.
- To reduce our cost base and seek better Value for Money, which is seen as a sensible approach in what are generally uncertain economic times.

The Board is in the process defining its asset management strategy alongside its new business plan and asset management plan. We will continue to reduce our cost base and improve Value for Money in accordance with the standard whilst driving and improving performance against the seven key metrics year on year.

STATEMENT OF TRUSTEE RESPONSIBILITIES

Law applicable to charities in England and Wales and Registered Social Housing legislation requires the Trustee to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity at the year end and of the surplus or deficit of the charity for that period. In preparing those financial statements at the year end, the Trustee should follow best practice and:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing 2015. The Trustee is responsible for taking reasonable steps to safeguard the assets of the Charity and for the prevention and detection of fraud and other irregularities.

HOUSING PATHWAYS TRUST
ANNUAL REPORT OF THE TRUSTEE
FOR THE YEAR ENDED 31ST MARCH 2021

AUDITORS

Knox Cropper LLP have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

The Board of Housing Pathways would like to record their particular appreciation of the assistance provided by Matthew Elkins and his colleagues at Knox Cropper.

TRUSTEE'S STATEMENT ON INTERNAL FINANCIAL CONTROLS

The Trustee acknowledges its ultimate responsibility for ensuring that Housing Pathways Trust has in place a system of controls that is appropriate to the various business environments in which it operates.

These controls are designed to give reasonable assurance with respect to:

- (a) the reliability of financial information used within the charity or for publication
- (b) the maintenance of proper accounting records, and
- (c) the safeguard of assets against unauthorized use or disposition

It is the Trustee's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable but not absolute assurance against material financial misstatement or loss. Key elements include ensuring that:

- (a) formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorized use of the charity's assets.
- (b) experienced and suitably qualified staff take responsibility for important business functions.
- (c) forecasts and budgets are prepared which allow the Trustee and management to monitor the key business risks and financial objectives and progress towards financial plans set for the year and medium term; regular management accounts are prepared promptly; providing relevant, reliable and up-to-date financial and other information and significant variance from budgets are investigated as appropriate.
- (d) all significant new initiatives, major commitments and investment projects are subject to formal authorization procedures, through relevant sub-committees comprising the Trustee and others.
- (e) the Trustee of Housing Pathways reviews reports from management and from external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the charity.
- (f) the Trustee has reviewed the effectiveness of the system of internal financial controls in existence in the charity for the year ended 31st March 2021 and up to the date of this report. No weaknesses were found in internal financial controls which require disclosure in the financial statements or in the auditors' report in the financial statements.

HOUSING PATHWAYS TRUST
ANNUAL REPORT OF THE TRUSTEE
FOR THE YEAR ENDED 31ST MARCH 2021

CHAIRMAN'S REPORT

As a trust we are committed to serving our residents and local community in the best way possible. Over this last year we have had the challenge of the Covid Pandemic which has added to the already strong challenges facing the social housing sector. Even so we have continued to improve our properties, where possible and have continued to invest in our repairs and maintenance work.

Through our grants programme we have supported the businesses that are part of our family of properties and provided, support for both businesses and individuals who have found this last year particularly challenging. We are committed to continue to focus on our cost base and look at ways to reduce it to maximise the resources that are available to support our diverse business and charitable activities.

This last year has also seen some staff and board members change and we are very grateful for the superb staff team we have that continue to give Pathways a good name in the housing industry and provide a service to our community. One of our focusses going forward is to work to improve this even more.

The Board doesn't just look at the current situation but is also tasked with long term planning and we are very aware that more major investment will be required in the near future with the change in Government regulations around boiler use and the need to make properties as environmentally friendly as possible. Good investment in the past means that the Trust is well placed to manage some of these challenges.

I am therefore hugely grateful to every one of the staff and board members for their ongoing dedication and support.

Approved by the Board of Directors at its meeting on 16th September 2021 and signed on its behalf by:

M Melliush

Mark Melliush

Chair of Housing Pathways

HOUSING PATHWAYS TRUST
FOR THE YEAR ENDED 31ST MARCH 2021

Independent Auditor's Report to the Trustee of Housing Pathways Trust

Opinion

We have audited the financial statements of Housing Pathways Trust (the 'charity') for the year ended 31st March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2021 and of 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 Charities Act 2011, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 Board'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 charitable company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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

HOUSING PATHWAYS TRUST
FOR THE YEAR ENDED 31ST MARCH 2021

Independent Auditor's Report to the Trustee of Housing Pathways Trust (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustee's Annual report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustee

As explained more fully in the trustee's responsibilities statement set out on page 15, the trustee is 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 trustee is responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England 2019.
- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We understood how the charity is complying with those frameworks via communication with those charged with governance, together with the review of the charity's documented policies and procedures.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. These included risks associated with Revenue Recognition, Management Override of Controls, and the increased incentive and pressure to commit fraud due to the Covid-19 environment, which were discussed and agreed by the audit team.
- Our approach included agreeing the charity's recognition of income to the terms of the underlying grant agreements and associated correspondence, the review of journal entries processed in the accounting records and the investigation of significant and unusual transactions identified from our review of the accounting records.

HOUSING PATHWAYS TRUST

FOR THE YEAR ENDED 31ST MARCH 2021


Independent Auditor's Report to the Trustee of Housing Pathways Trust (continued)

- Our approach was also to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the charity.

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.

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the charity's trustee 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 charity and the charity's trustee as a body, for our audit work, for this report or for the opinions we have formed.


Knox Cropper LLP
Chartered Accountants and Statutory Auditors
65 Leadenhall Street
London EC3A 2AD

27/09/ 2021

Knox Cropper LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

HOUSING PATHWAYS TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2021


Notes	2021				2020			
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Income from								
Donations and Grants	10,000	-	-	10,000	-	-	-	-
Charitable Activities								
<i>Almshouse Accommodation</i>	977,867	-	-	977,867	942,151	-	-	942,151
<i>Allotments</i>	22,644	-	-	22,644	22,603	-	-	22,603
Other Trading Activities	77,212	-	-	77,212	71,663	-	-	71,663
Investments	348,839	5,329	648	354,816	388,646	7,702	305	396,653
	1,436,562	5,329	648	1,442,539	1,425,063	7,702	305	1,433,070
Expenditure on								
Raising Funds	171,257	1,753	6,186	179,196	89,290	1,783	6,388	97,461
Charitable Activities								
<i>Almshouse Accommodation</i>	796,146	35,964	134,634	966,744	808,661	35,964	155,304	999,929
<i>Allotments</i>	20,767	-	1,690	22,457	20,089	-	1,690	21,779
<i>Grant making</i>	144,921	-	478	145,399	110,846	-	478	111,324
	1,133,091	37,717	142,988	1,313,796	1,028,886	37,747	163,860	1,230,493
Gains/(losses) on Investments	442,739	58,165	117,069	617,973	(291,620)	(32,424)	(80,014)	(404,058)
Net Income/(expenditure)	746,210	25,777	(25,271)	746,716	104,557	(62,469)	(243,569)	(201,481)
Actuarial (losses)/gains	(195,000)	-	-	(195,000)	167,502	-	-	167,502
Transfers between funds	(125,522)	-	125,522	-	(99,837)	-	99,837	-
Net movement in funds	425,688	25,777	100,251	551,716	172,222	(62,469)	(143,732)	(33,979)
Funds brought forward 1st April 2020								
Originally stated	3,748,407	284,877	8,528,456	12,561,740	3,575,696	311,382	8,672,188	12,559,266
Prior year adjustment	32,876	1,600,437	-	1,633,313	33,365	1,636,401	-	1,669,766
As restated	3,781,283	1,885,314	8,528,456	14,195,053	3,609,061	1,947,783	8,672,188	14,229,032
Funds carried forward 31st March 2021	4,206,971	1,911,091	8,628,707	14,746,769	3,781,283	1,885,314	8,528,456	14,195,053

HOUSING PATHWAYS TRUST
BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2021

	Notes	2021	2020 Restated
		£	£
Fixed Assets			
Housing Properties	10	6,803,292	6,960,963
Investment Properties	11	4,048,000	4,048,000
Other Fixed Assets	12	1,401,885	1,421,586
Social Investments	14	-	-
Investments	15	3,667,656	3,004,130
		<u>15,920,833</u>	<u>15,434,679</u>
Current Assets			
Trade and Other Debtors	16	221,905	181,757
Cash and Cash Equivalents		<u>636,441</u>	<u>531,703</u>
		858,346	713,460
Creditors: Amounts falling due within one year	17	<u>(372,415)</u>	<u>(384,580)</u>
Net Current Assets		485,931	328,880
Creditors: Amounts falling due after more than one year	18	(1,407,995)	(1,476,506)
Provisions for liabilities	22	<u>(252,000)</u>	<u>(92,000)</u>
Net Assets		<u>£14,746,769</u>	<u>£14,195,053</u>
Funds			
Permanent Endowment	19	8,628,707	8,528,456
Restricted Funds	19	1,911,091	1,885,314
Unrestricted Funds	19	<u>4,206,971</u>	<u>3,781,283</u>
Total Funds		<u>£14,746,769</u>	<u>£14,195,053</u>

The financial statements were approved by the Trustee on 16th September 2021 and signed on it's behalf by:

M Melliush 
 Director Mark Melliush (Chair)

M Doyle 
 Director Matthew Doyle

HOUSING PATHWAYS TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021

	Notes	2021 £	2020 Restated £
Net Cash generated from Operating Activities	A	170,908	297,266
Cash Flows from Investing Activities			
Capitalised works to existing housing properties		(42,790)	(50,729)
Purchase of other fixed assets		-	(1,269)
Rents and service charges from investment properties		136,866	308,376
Maintenance of investment properties		(99,280)	(116,752)
Proceeds from sale of investments		328,039	453,826
Additions to investments		(494,651)	(361,390)
Investment management fees		(21,437)	(20,834)
Investment income and bank interest received		94,681	121,084
Net Cash generated from/(used in) Investing Activities		<u>(98,572)</u>	<u>332,312</u>
Cash Flows from Financing Activities			
Interest paid		(33,436)	(50,279)
Repayment of Loans		(58,318)	(52,660)
Net Cash (used in)/generated from Financing Activities		<u>(91,754)</u>	<u>(102,939)</u>
Net Change in Cash and Cash Equivalents		(19,418)	526,639
Cash and Cash Equivalents at the beginning of the year		<u>757,349</u>	<u>230,710</u>
Cash and Cash Equivalents at the end of the year		<u>£737,931</u>	<u>£757,349</u>
A Cash Flows from Operating Activities			
Net Income/(Expenditure) for the year		746,716	(201,481)
Depreciation		221,345	227,156
Income from Investments		(354,816)	(396,653)
Interest Payable		33,436	50,279
Investment management fees		21,437	20,834
Expenditure on Investment Properties		157,759	76,627
Decrease/(Increase) in Debtors		4,409	42,089
Increase/(Decrease) in Creditors		(5,222)	69,836
(Decrease)/Increase in pension liability		(35,000)	(7,498)
Disposal of fixed assets		(1,183)	12,019
(Gains)/Losses on Investments		(617,973)	404,058
		<u>£170,908</u>	<u>£297,266</u>
B Cash and Cash Equivalents			
Bank Balances		636,441	531,703
Investment Managers Cash		101,490	225,646
		<u>£737,931</u>	<u>£757,349</u>

HOUSING PATHWAYS TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021

Reconciliation of Net Debt

	At 01.04.20 £	Cash Flows £	At 31.03.21 £
Cash and Cash equivalents	757,349	(19,418)	737,931
Loans falling due within one year	(52,277)	(1,723)	(54,000)
Loans falling due after more than one year	(1,397,130)	60,041	(1,337,089)
Total	<u>£(692,058)</u>	<u>£38,900</u>	<u>£(653,158)</u>

HOUSING PATHWAYS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

1. Accounting Policies

(a) Status

Housing Pathways Trust is an unincorporated charity registered in England and Wales, registration number 211053. The principal office address is disclosed on page 1 of the annual report. The presentational currency is the Pound Sterling (£).

(b) Basis of Accounting and Assessment of Going Concern:

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities, in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (second edition issued in October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The accounts comply with the Charities Act 2011, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing in England 2019. The accounts are prepared on the historical cost basis of accounting unless otherwise stated in the relevant accounting policy.

The Charity constitutes a public benefit entity as defined by FRS 102. The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern.

(c) Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Income from Almshouse Accommodation represents weekly maintenance and service contributions receivable from residents.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest and rents and service charges from investment properties. The Trustee considers it is not practical to identify investment management costs incurred within collective investment schemes managed by M&G and CCLA with reasonable accuracy and thus the investment income is reported net of these costs. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

Social Housing Capital grants are recognised only when receivable, or in the period in which a scheme is completed where the amount of the grant has been determined. Grants are reflected in the Fixed Asset Fund.

(d) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

HOUSING PATHWAYS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

1. Accounting Policies (continued)

(e) Housing Properties

Housing properties are measured at cost less accumulated depreciation and impairment losses. For housing properties acquired before 1st April 1978, market value as at that date is deemed to be cost. All subsequent acquisitions of housing properties or improvements to existing stock are measured at cost.

The cost of completed housing properties (net of the cost of land) is depreciated over the useful life of the properties. Properties are accounted for on a component cost basis with each component being depreciated over its estimated economic life. The principal components identified, and the depreciation rate applied to each component are set out below:

Land	-	not depreciated
Main fabric	-	Over 70 years
Roof structure and covering	-	Over 70 years
Windows & external doors	-	Over 30 years
Gas boilers	-	Over 15 years
Kitchen	-	Over 20 years
Bathrooms/WCs	-	Over 30 years
Mechanical systems	-	Over 30 years
Electrics	-	Over 40 years
Fire alarms/warden call	-	Over 15 years

(f) Investment Properties

The Ealing Green properties are measured at fair value at the balance sheet date. These properties are held for rental and are reflected under other Fixed Assets, as distinct from Social Housing Properties. In accordance with FRS102, no depreciation is charged on the investment properties.

(g) Other Fixed Assets

Allotment land is measured at cost, being previous GAAP revaluations of £390,000 for Northfield Allotment and £355,000 for Haslemere Allotment taken as deemed cost on transition to FRS102. Improvements to the allotment sites are measured at cost less accumulated depreciation. Fixtures, fittings, and equipment are stated at cost less accumulated depreciation. Office property is held for the use of the charity and the other charities of which the trustee, Housing Pathways, is also trustee and is measured at cost less accumulated depreciation.

Depreciation is charged in a straight line basis over the expected useful lives of the assets, at the following annual rates:

2% - Allotment Fencing
10% - Furniture & Fittings
33⅓% - Computer Equipment

The Office Property is depreciated on a component basis using the same rates as applied to the Housing Properties.

(h) Investments

Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise. The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year.

(i) Debtors

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

HOUSING PATHWAYS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

1. Accounting Policies (continued)

(j) Cash at bank and in hand

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

(k) Creditors

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

(l) Financial Instruments

The Charity only holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 16. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors and bank loans are classified as financial instruments and are measured at amortised cost as detailed in Notes 17 & 18.

(m) Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustee for a specific purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for a specific purpose. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent endowment funds are restricted capital funds where there is no power to convert the original capital to income. Expendable endowment funds represent sums which the Trustees intend to retain intact but can if necessary be used in furtherance of the Charity objectives subject to any restrictions imposed by the donor.

(n) Taxation

As a non-profit making body, the charity believes that it is exempt from all forms of taxation other than value added tax (VAT). The charity partially makes taxable supplies of services and is only able to recover input tax, where this is charged, on items of expenditure relating to these supplies.

(o) Pension Costs

The Charity participates in a multi-employer defined benefit pension scheme providing benefits based on final pensionable pay. This is a funded scheme, and the assets are held separately from those of the charity in separate trustee administered funds.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities.

HOUSING PATHWAYS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

1. Accounting Policies (continued)

The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/expenditure are the current service costs and gains and losses on settlements and curtailments together with any change in the net defined benefit liability arising from employee service. They are included as part of staff costs. Net interest on the defined benefit liability is shown as a cost in the support cost. The remeasurement of the defined benefit liability is also reported in the statement of financial activities within other gains and losses and is shown in more detail in Note 21 to the accounts.

(p) Significant Management Judgements and Estimation Uncertainties

The following are the critical judgements and key sources of estimation uncertainty that the Board has made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Fair value of Investment Properties

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in the Statement of Financial Activities. The Trustee assesses the fair value of the investment properties based on recent market values. In determining the fair value on this basis, the valuation remains sensitive to fluctuations in the property market.

Identification of housing property components

The charity accounts for its expenditure on housing properties using component accounting. Under component accounting, the housing property is divided into those major components which are considered to have substantially different useful economic lives. Judgement is used in allocating property costs between components (land, structure, kitchens, bathrooms etc) and in determining the useful economic lives of each component.

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to changes to decent homes standard requiring frequent replacement of components.

Bad debt provision

A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

Defined Benefit Pension Scheme

As stated in Note 21, the Charity participates in a multi-employer defined benefit pension scheme. The value of the Charity's share of the net deficit in the scheme is sensitive to fluctuations in bond yields and other actuarial assumptions as detailed in Note 22.

HOUSING PATHWAYS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

2. Income from Charitable Activities

	2021	2020
	£	Restated £
<i>Almshouse Accommodation</i>		
Maintenance contributions	844,819	810,850
Services contributions	133,048	131,301
	<u>977,867</u>	<u>942,151</u>
<i>Allotments</i>		
Allotment rents	22,644	22,603
	<u>£1,000,511</u>	<u>£964,754</u>

3. Income from Other Trading Activities

Private Lets	<u>£77,212</u>	<u>£71,663</u>
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Private let income represents the income derived from certain properties within the Charity's almshouse estate which are temporarily let on short-term licenses at market rates.

4. Income from Investments

<i>Investment Property</i>		
Rent receivable	218,194	235,064
Ground rent receivable	3,950	3,950
Service charges receivable	34,894	36,555
	<u>257,038</u>	<u>275,569</u>
Investment Income & Bank Interest	97,778	121,084
	<u>£354,816</u>	<u>£396,653</u>

5. Raising Funds

	2021	2020
	£	Restated £
Investment management fees	21,437	20,834
<i>Investment property costs</i>		
Management & support costs	53,199	80,294
Maintenance	46,081	36,458
Bad debts	58,479	(40,125)
	<u>£179,196</u>	<u>£97,461</u>

HOUSING PATHWAYS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

6. Charitable Activities

	2021	2020
	£	Restated £
<i>Almshouse Accommodation</i>		
Management & support costs	357,503	402,592
Services	127,174	140,429
Maintenance	260,887	210,222
Depreciation	202,518	208,330
Disposals	(1,183)	12,019
Bad debts	-	-
Interest payable	19,845	26,337
	<u>966,744</u>	<u>999,929</u>
<i>Allotments</i>		
Management	9,415	7,632
Depreciation	1,194	1,194
Maintenance	-	-
Support costs	11,848	12,953
	<u>22,457</u>	<u>21,779</u>
<i>Grant-making</i>		
Grants awarded	120,188	94,251
Grants officer costs	14,222	4,582
Reversal of impairment of concessionary loan	(436)	-
Support costs	11,425	12,491
	<u>145,399</u>	<u>111,324</u>
	<u>£1,134,600</u>	<u>£1,133,032</u>

7. Support Costs

	2021	2020
	£	Restated £
Staff costs	278,659	259,753
Administration	88,739	120,219
Depreciation of office property	17,634	17,634
Professional fees	(5,943)	(1,157)
Bank charges and sundries	602	147
Loan interest	13,591	17,942
Pension costs and interest	4,959	6,000
Irrecoverable VAT	22,462	16,876
Governance costs	9,000	12,240
	<u>£429,703</u>	<u>£449,654</u>

Included within Governance Costs is auditor's remuneration for the audit of the financial statements amounting to £9,000 (2020: £9,300) and for non-audit services of £Nil (2020: £2,940). Excluding VAT these amounts are £7,500 and £Nil (2020: £7,750 and £2,450).

HOUSING PATHWAYS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

8. Staff Costs

All employees are jointly employed by Housing Pathways and the charities of which it is trustee, and their costs are recharged across the charities on a set basis reviewed annually. The proportion of staff costs charged to the Charity is as follows:

	2021 £	2020 £
Wages and salaries	205,486	203,655
Social security costs	17,707	19,722
Pension costs	9,008	8,751
Redundancy	30,862	-
Off-payroll contractors	26,506	27,625
	<u>£289,569</u>	<u>£259,753</u>

The average weekly numbers of full-time equivalent employees during the year was 10 (2020: 10) and the average number of employees was 11 (2020: 10). The proportion of remuneration payable to key management personnel for their services to the Charity amounted to £120,485 (2020: £127,331).

The number of staff whose total remuneration payable by the group fell in the band £60,000 to £70,000 was nil (2020: nil), in the band £70,000 to £80,000 was nil (2020: nil), in the band £80,000 to £90,000 was nil (2020: one), and in the band £90,000 to £100,000 was one (2020: nil).

9. Social Housing Lettings – Sheltered Housing

Maintenance contributions	844,819	810,850
Service charges receivable	133,048	131,301
Turnover from Social Housing Letting	<u>977,867</u>	<u>942,151</u>
Management	357,503	403,466
Services	127,174	140,429
Routine and Cyclical Maintenance	260,887	210,222
Property Depreciation	201,644	206,853
Operating costs of Social Housing Lettings	<u>(947,208)</u>	<u>(960,970)</u>
Gain/(Loss) on replacement of components	1,183	(12,019)
Operating surplus/(deficit) on Social Housing Lettings	<u>£31,842</u>	<u>£(30,838)</u>
Void Losses	<u>£15,926</u>	<u>£12,149</u>

HOUSING PATHWAYS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

10. Fixed Assets Housing Properties

	2021	2020
	Total	Restated
	£	Total
		£
Cost		
As at 1st April 2020	8,790,835	8,752,125
Works to existing properties	42,790	50,729
Disposals	(7,180)	(12,019)
As at 31st March 2021	<u>8,826,445</u>	<u>8,790,835</u>
Depreciation		
As at 1st April 2020	1,829,872	1,623,019
Adjustment		-
Charge for the year	201,644	206,853
Disposals	(8,363)	-
As at 31st March 2021	<u>2,023,153</u>	<u>1,829,872</u>
Net Book Value at 31st March 2021	<u>£6,803,292</u>	<u>£6,960,963</u>

All Properties are Freehold Properties except for two properties held on long leaseholds (cost £362,711 accumulated depreciation £50,178).

11. Investment Properties

	Ealing Green	Total
	£	£
Fair Value		
As at 1st April 2020	4,048,000	4,048,000
Additions	-	-
Movement in fair value	-	-
As at 31st March 2021	<u>4,048,000</u>	<u>4,048,000</u>
Net Book Value		
At 31st March 2021	<u>£4,048,000</u>	<u>£4,048,000</u>
At 31st March 2020	<u>£4,048,000</u>	<u>£4,048,000</u>

The Investment properties were valued by Willmotts at £4,048,000 as at 31st March 2016.

HOUSING PATHWAYS TRUST**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH 2021****12. Other Fixed Assets**

	Allotments	Fixtures, Fittings & Equipment	Office	Total
	£	£	£	£
Cost				
As at 1st April 2020	798,881	8,732	679,846	1,487,459
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31st March 2021	<u>798,881</u>	<u>8,732</u>	<u>679,846</u>	<u>1,487,459</u>
Depreciation				
As at 1st April 2020	8,786	4,182	52,905	65,873
On disposals	-	-	-	-
Charge for the year	<u>1,194</u>	<u>873</u>	<u>17,634</u>	<u>19,701</u>
As at 31st March 2021	<u>9,980</u>	<u>5,055</u>	<u>70,539</u>	<u>85,574</u>
Net Book Value				
At 31st March 2021	<u>£788,901</u>	<u>£3,677</u>	<u>£609,307</u>	<u>£1,401,885</u>
At 31st March 2020	<u>£790,095</u>	<u>£4,550</u>	<u>£626,941</u>	<u>£1,421,586</u>

13. Capital Grants

	2021	2020 Restated
	£	£
Aggregate amount received		
At 1st April 2020 and 31st March 2021	<u>£2,519,492</u>	<u>£2,519,492</u>
Released to Statement of Financial Activities		
At 1st April 2020 and 31st March 2021	<u>£2,519,492</u>	<u>£2,519,492</u>
Social Housing Grant Carrying Value	<u>£ -</u>	<u>£ -</u>

HOUSING PATHWAYS TRUST**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH 2021****14. Social Investments**

	2021	2020
	£	Restated £
Concessionary loans		
At 1st April 2020	-	-
Repayments in the year	(436)	-
Reversal of impairment	436	-
At 31st March 2021	<u>£ -</u>	<u>£-</u>

Concessionary loans comprise an interest-free loan made to Cultivate London Ltd in 2012. The loan was fully impaired in the year it was granted. The amount outstanding at 31st March 2021 is £49,824 (2020: £50,260).

15. Fixed Asset Investments

	2021			2020
	Unrestricted	Grassroots	Total	Total
	£	£	£	£
Fair Value				
At 1st April 2020	2,574,559	203,925	2,778,484	3,274,978
Additions	474,054	23,694	497,748	361,390
Disposals	(306,339)	(21,700)	(328,039)	(453,826)
Realised gains/(losses)	4,328	3,846	8,174	28,254
Unrealised gains/(losses)	559,479	54,320	609,799	(432,312)
At 31st March 2021	<u>3,302,081</u>	<u>264,085</u>	<u>3,566,166</u>	<u>2,778,484</u>
Cash Deposits	78,779	22,711	101,490	225,646
	<u>£3,380,860</u>	<u>£286,796</u>	<u>£3,667,656</u>	<u>£3,004,130</u>
Fixed Interest	337,384	20,824	358,208	372,093
Equities and Unit Trust	2,605,205	226,911	2,832,116	2,225,956
Property	159,492	16,350	175,842	180,435
Cash	278,779	22,711	301,490	225,646
	<u>£3,380,860</u>	<u>£286,796</u>	<u>£3,667,656</u>	<u>£3,004,130</u>

16. Debtors

	2021	2020
	£	Restated £
Residents' Contributions	24,358	31,055
Provision for Doubtful Debts	(5,090)	(5,090)
	<u>19,268</u>	<u>25,965</u>
Tenants Contributions and Deposits	165,289	120,732
Prepayments and accrued income	37,348	31,526
Connected parties:		
- Pathways Jubilee Charity	-	3,534
	<u>£221,905</u>	<u>£181,757</u>

HOUSING PATHWAYS TRUST**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH 2021****17. Creditors: Amounts falling due within one year**

	2021	2020
	£	Restated £
Trade Creditors	34,976	33,943
VAT	29,500	20,523
Connected parties:		
Housing Pathways	7,135	40,808
Almshouse & Eleemosynary Charity	34,061	21,103
Loans	54,000	52,277
Grants payable	42,105	28,206
Deferred income	68,038	78,154
Accrued expenses	102,600	109,566
	<u>£372,415</u>	<u>£384,580</u>

The two loans are with CAF Bank which are secured by a first legal charge on the properties at 1-57 Dean Court, Ealing. The loans have a term of 21 years, at an interest rate of 2.25% over base.

18. Creditors: Amounts falling due outside one year

Grants payable	8,550	10,000
Tenant deposits	62,356	69,376
Loans (Note 15)	1,337,089	1,397,130
	<u>£1,407,995</u>	<u>£1,476,506</u>

HOUSING PATHWAYS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

19. Funds - Restated

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/(losses) on investments £	Other gains /(losses) £	Transfers £	Balance at 31 March 2021 £
Unrestricted Funds							
General Funds	2,419,789	1,399,270	(1,125,335)	216,918	(195,000)	(125,522)	2,590,120
<i>Designated Funds</i>							
Grants Reserve	269,073	-	-	-	-	-	269,073
Cyclical Repairs and Maintenance Reserve	145,580	4,960	(1,032)	29,746	-	-	179,254
Extraordinary Repairs Reserve	946,841	32,332	(6,724)	196,075	-	-	1,168,524
	3,781,283	1,436,562	(1,133,091)	442,739	(195,000)	(125,522)	4,206,971
Restricted Funds							
Fixed Asset Fund	1,600,437	-	(35,964)	-	-	-	1,564,473
Grassroots Fund	284,877	5,329	(1,753)	58,165	-	-	346,618
	1,885,314	5,329	(37,717)	58,165	-	-	1,911,091
Endowment Funds							
Permanent Endowment	8,528,456	648	(142,988)	117,069	-	125,522	8,628,707
	£14,195,053	£1,442,539	£(1,313,796)	£617,973	£(195,000)	£ -	£14,746,769
	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/(losses) on investments £	Other gains /(losses) £	Transfers £	Balance at 31 March 2020 £
Unrestricted Funds							
General Funds	2,135,480	1,379,343	(1,020,975)	(141,724)	167,502	(99,837)	2,419,789
<i>Designated Funds</i>							
Grants Reserve	269,073	-	-	-	-	-	269,073
Cyclical Repairs and Maintenance Reserve	196,375	6,093	(1,052)	(55,836)	-	-	145,580
Extraordinary Repairs Reserve	1,008,133	39,627	(6,859)	(94,060)	-	-	946,841
	3,609,061	1,425,063	(1,028,886)	(291,620)	167,502	(99,837)	3,781,283
Restricted Funds							
Fixed Asset Fund	1,636,401	-	(35,964)	-	-	-	1,600,437
Grassroots Fund	311,382	7,702	(1,783)	(32,424)	-	-	284,877
	1,947,783	7,702	(37,747)	(32,424)	-	-	1,885,314
Endowment Funds							
Permanent Endowment	8,672,188	305	(163,860)	(80,014)	-	99,837	8,528,456
	£14,229,032	£1,433,070	£(1,230,493)	£(404,058)	£167,502	£ -	£14,195,053

HOUSING PATHWAYS TRUST**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH 2021****19. Funds****Designated Funds***Extraordinary Repair Fund*

The Charity maintains an Extraordinary Repair Fund which is sufficient for the purpose of providing for extraordinary repair, improvement, or rebuilding of the almshouses. With the advent of component accounting, major repairs are usually capitalised. The level of the reserve is considered adequate to cover any such costs that are likely to be charged to the revenue account.

Cyclical Repairs and Maintenance Reserve

This fund is based on the charity's obligation to provide on a continuing basis for the repair and maintenance of their properties based on a planned programme of works and is considered adequate.

Restricted Funds*Grassroots Fund*

The Charity set up a restricted fund called the Grassroots Endowment, to ensure the Grassroots project was sustained beyond 2011, when Government funding ceased. Income for the Fund is invested separately, and the balance held as a separate fund.

Fixed Assets Fund

The Fixed Assets Fund represents the proportion of housing properties funded by social housing grant, less the accumulated depreciation attributable to that element of the cost. Social housing grants may be repayable if the charity sells a property or ceases to use it for a qualifying purpose.

Endowment Funds*Permanent Endowment*

Under a Charity Commission Scheme dated 18th May 2000 as amended, the four predecessor charities were amalgamated to form the Ealing and Brentford Consolidated Charity which became Housing Pathways Trust in 2012. Under the terms of the Scheme, Housing Pathways Trust activity was classified into four branches and the Scheme specifically refers to the assets which represented each branch's permanent endowment and expendable endowment.

20. Net Assets and Funds by Branch

	Branch 1	Branch 2	Branch 3	Branch 4	Restricted	Total
	£	£	£	£	£	£
Properties	6,803,292	-	-	-	-	6,803,292
Investment						
Properties	2,024,000	2,024,000	-	-	-	4,048,000
Other Fixed Assets	1,401,885	-	-	-	-	1,401,885
Investments	2,470,142	279,458	626,738	4,522	286,796	3,667,656
Net Current						
Assets/ (Liabilities)	(107,407)	554,487	(21,299)	328	59,822	485,931
Creditors Due						
Outside One Year	(1,376,817)	(31,178)	-	-	-	(1,407,995)
Provisions for						
Liabilities	(252,000)	-	-	-	-	(252,000)
	<u>£10,963,095</u>	<u>£2,826,767</u>	<u>£605,439</u>	<u>£4,850</u>	<u>£346,618</u>	<u>£14,746,769</u>
Permanent						
Endowment	5,790,274	2,353,198	482,349	2,886	-	8,628,707
Restricted Funds	1,564,473	-	-	-	346,618	1,911,091
Designated Funds	1,472,502	144,349	-	-	-	1,616,851
Unrestricted Funds	2,135,846	329,220	123,090	1,964	-	2,590,515
	<u>£10,963,095</u>	<u>£2,826,767</u>	<u>£605,439</u>	<u>£4,850</u>	<u>£346,618</u>	<u>£14,746,769</u>

HOUSING PATHWAYS TRUST**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH 2021****21. Net Assets by Funds**

	Permanent Endowment	Restricted Funds	Unrestricted Funds	2021 Total
	£	£	£	£
Housing Properties	3,759,155	1,564,473	1,479,664	6,803,292
Investment Properties	4,048,000	-	-	4,048,000
Other Fixed Assets	1,398,208	-	3,677	1,401,885
Investments	693,763	286,796	2,687,097	3,667,656
Net Current Assets/(Liabilities)	66,670	59,822	359,439	485,931
Creditors Due Outside One Year	(1,337,089)	-	(70,906)	(1,407,995)
Provisions for Liabilities	-	-	(252,000)	(252,000)
	<u>£8,628,707</u>	<u>£1,911,091</u>	<u>£4,206,971</u>	<u>£14,746,769</u>

	Permanent Endowment	Restricted Funds	Unrestricted Funds	2020 Restated Total
	£	£	£	£
Housing Properties	3,812,089	1,600,437	1,548,437	6,960,963
Investment Properties	4,048,000	-	-	4,048,000
Other Fixed Assets	1,417,036	-	4,550	1,421,586
Investments	580,068	230,333	2,193,729	3,004,130
Net Current Assets/(Liabilities)	68,393	54,544	205,943	328,880
Creditors Due Outside One Year	(1,397,130)	-	(79,376)	(1,476,506)
Provisions for Liabilities	-	-	(92,000)	(92,000)
	<u>£8,528,456</u>	<u>£1,885,314</u>	<u>£3,781,283</u>	<u>£14,195,053</u>

HOUSING PATHWAYS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

22. Pension Obligations

Housing Pathways Trust participates in the Social Housing Pension scheme, (SHPS) a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK administered by TPT Retirement Solutions ('TPT').

The scheme is classified as a 'last-man standing arrangement'. Therefore, Housing Pathways Trust is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Present Values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Asset/(Liability)

	2021	2020
	£	£
Fair value of plan assets	1,100,000	997,000
Present value of defined benefit obligation	(1,352,000)	(1,089,000)
Surplus/(deficit) in plan	(252,000)	(92,000)

Reconciliation of opening and closing balances of the Defined Benefit Obligation

	2021	2020
	£	£
Defined benefit obligation at start of period	1,289,000	1,206,000
Current service cost	6,000	32,000
Expenses	3,000	3,000
Interest expense	26,000	28,000
Contributions by plan participants	4,000	7,000
Actuarial losses/(gains) due to scheme experience	(24,000)	(6,000)
Actuarial losses/(gains) due to changes in demographic assumptions	5,000	(10,000)
Actuarial losses/(gains) due to changes in financial assumptions	272,000	(39,000)
Benefits paid and expenses	(29,000)	(32,000)
Defined benefit obligation at end of period	1,352,000	1,089,000

Reconciliation of opening and closing balances of the Fair Value of Plan Assets

	2021	2020
	£	£
Fair value of plan assets at start of period	997,000	939,000
Interest income	24,000	22,000
Experience on plan assets	58,000	13,000
Contributions by the employer	46,000	48,000
Contributions by plan participants	4,000	7,000
Benefits paid and expenses	(29,000)	(32,000)
Fair value of plan assets at end of period	1,100,000	997,000

The actual return of the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £82,000.

HOUSING PATHWAYS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

22. Pension Obligations (continued)

Defined Benefit costs recognised in Net Income/(Expenditure)

	2021 £	2020 £
Current service cost	6,000	32,000
Expenses	3,000	3,000
Net interest expense	2,000	6,000
	<u>11,000</u>	<u>41,000</u>

Defined Benefit costs recognised in Other Gains and Losses

	2021 £	2020 £
Experience on plan assets	58,000	13,000
Experience gains and losses arising on the plan liabilities	24,000	6,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	(5,000)	10,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	(272,000)	139,000
Actuarial (loss)/gain recognised in other recognised gains/(losses)	<u>(195,000)</u>	<u>168,000</u>

HOUSING PATHWAYS TRUST**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH 2021****22. Pension Obligations (continued)**

Assets	2021 (£000s)	2020 (£000s)
Global Equity	175	146
Absolute Return	61	52
Distressed Opportunities	32	19
Credit Relative Value	35	27
Alternative Risk Premia	41	70
Fund of Hedge Funds	-	1
Emerging Markets Debt	44	30
Risk Sharing	40	34
Insurance-Linked Securities	26	31
Property	23	22
Infrastructure	73	74
Private Debt	26	20
Opportunistic Illiquid Credit	28	24
High Yield	33	-
Opportunistic Credit	30	-
Corporate Bond Fund	65	57
Liquid Credit	13	-
Long Lease Property	22	17
Secured Income	46	38
Liability Driven Investment	280	331
Net Current Assets	7	4
Total Assets	1,100	997

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

Key Assumptions	2021 % per annum	2020 % per annum
Discount Rate	2.18	2.37
Inflation (RPI)	3.27	2.60
Inflation (CPI)	2.87	1.60
Salary Growth	3.87	2.60
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31st March 2021 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

HOUSING PATHWAYS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

23. Capital Commitments

At 31st March 2021 there were no commitments in relation to the refurbishment of the charity's properties or otherwise.

24. Contingent Liabilities

There were no contingent liabilities at 31st March 2021 or 31st March 2020, other than that of the potential employer debt on the Pension Scheme (Note 22).

25. Housing Stock

The number of units of housing owned by the Charity at 31st March 2021 and 31st March 2020 were:

	Units Under Ownership	
	2021	2020
Social Housing Accommodation		
Sheltered Housing	132	132
Units let privately	<u>6</u>	<u>6</u>

26. Related Parties

Housing Pathways is the Corporate Trustee of Housing Pathways Trust and acts as the paymaster for employees jointly employed by the Pathways charities.

In the year ended 31st March 2021 the Trust was allocated staff costs of £278,659 (2020: £259,753). Housing Pathways provides full administrative services to the charity and charged £88,739 (2020: £120,219) to the Charity.

At 31st March 2021 the Trust owed £7,135 (2020: £40,808) to Housing Pathways and £Nil (2020: £3,534) to The Pathways Jubilee Charity.

At 31st March 2021 the Trust owed £34,061 (2020: £21,103) to Almshouse and Eleemosynary Charity, a charity of which Housing Pathways is Corporate Trustee. Housing Pathways Trust also paid for the insurance of the housing properties of Almshouse and Eleemosynary Charity for which no recharge was made.

Housing Pathways, and the other charities of which it is trustee, operate from office premises owned by Housing Pathways Trust, for which no rent is charged.

27. Ultimate Parent Undertaking and Consolidated Accounts

Housing Pathways, the corporate trustee, is considered to be the ultimate parent undertaking of the charity. The other entities in the group are as follows:

- Housing Pathways
- Pathways Jubilee Charity (Registered Provider)
- King George V Memorial Houses (Registered Provider)
- Almshouse and Eleemosynary Charity
- The Educational Foundation of Francis Courtney

HOUSING PATHWAYS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

28. Prior Year Adjustment

1) SORP

The Charity previously prepared its financial statements in accordance with the Housing SORP. During the year it was identified that because the charity's activities are not governed by the Landlord and Tenant Act 1985 it should instead be applying the Charities SORP. The Charities SORP requires all government grants to be recognised using the performance model, whereas the Housing SORP required government grants related to housing properties measured at cost to be recognised using the accrual model. As a result, the change in applicable SORP necessitated a change in accounting policy. The financial statements have therefore been restated as if this new accounting policy had always been in place.

The effect of the restatement at the start of the comparative year (1 April 2019) was to reduce creditors due within one year by £35,964 and reduce creditors due in more than one year by £1,600,437 and increase restricted funds by £1,636,401. Income and the net result for the year ended 31 March 2020 were reduced by £35,964. At 31 March 2020, creditors due within one year were reduced by £35,964, creditors due in more than one year were reduced by £1,564,473, and restricted funds were increased by £1,600,437.

2) Allotments

The Charity receives an additional sum from the plot holders at one of its allotment holders to cover the cost of the Charity providing and maintaining fencing around the site. Previously, these contributions were accounted for as creditors rather than income. As the impact on the financial statements was significant, this has been corrected via prior year adjustment.

The effect of the restatement at the start of the comparative year (1 April 2019) was to reduce creditors due within one year by £14,364 and increase unrestricted funds by £14,364. Income and the net result for the year ended 31 March 2020 were increased by £2,455. At 31 March 2020, creditors due within one year were reduced by £16,819 and unrestricted funds increased by £16,819.

3) Depreciation

The Charity identified errors in past years in its calculation of fixed asset depreciation and disposals relating to various properties. As the impact on the financial statements was significant, this has been corrected via prior year adjustment.

The effect of the restatement at the start of the comparative year (1 April 2019) was to increase fixed asset housing properties by £19,001 and increase unrestricted funds by £19,001. Expenditure was reduced and the net result for the year ended 31 March 2020 increased by £2,946. At 31 March 2020, fixed asset housing properties were increased and unrestricted funds increased by £16,055.

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