

HOUSING PATHWAYS TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

Social Housing Regulator No. A0376

Charity Registered No. 211053



HOUSING PATHWAYS TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

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Housing Pathways Trust
Annual Report of The Trustees
For The Year Ended 31st March 2022

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.

On 1st April 2022 the Charity Commission approved the merger of Housing Pathways Trust, Almshouse & Eleemosynary Charity and Pathways Jubilee Charity. The merged charity is known as Housing Pathways Trust (Charity number 211053) and a new scheme was issued on the 1st April 2022.

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

Trustees

On 1st April 2022, by order of a Scheme of the Charity Commission Housing Pathways ceased to be trustee of the charity and the existing trustees of Housing Pathways were appointed as the trustees of the charity.

Until 1 st April 2022:	Corporate Trustee
Housing Pathways	

From 1st April 2022:	Ex-Officio, Chair
Rev. Mark Melliush	
Ms Janet Weekes	
Ms Katherine Yentumi	
Ms Isabella Rossi	
Mr Matthew Doyle	
Ms Andrea Joseph	
Mr Andrew Jefford	

Custodian Trustees:

Title to the charity's housing properties and investment properties is vested in either the Official Custodian for Charities or Housing Pathways.

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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. Bolaji Campell is the Head of Finance & Company Secretary.

Leanne Donald-Whitney, Head of Operation left Pathways 3rd February 2022. Mike Smart was appointed as Operations Manager on 22nd May 2022.

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 until 1st April 2022. 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 Trust 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 board 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 2021 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, were 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 (2021: 132 units) and 6 units (2021: 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 2021-22 we housed 9 new residents in our Almshouse accommodation for older people.

During the year we completed refurbishment of kitchens, bathrooms, and replacement of boilers and hot water cylinder in Dean Court, Bowmans Court, Taylor Court and Tawny Close.

New flooring replacement was done at Dean Court and Castlebar Park- allowing residents to enjoy their communal areas.

Delivered Tree Maintenance to several schemes, Bowman & Dean Court, Castlebar park, and Tawny Close

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OBJECTIVES AND ACTIVITIES (Continued)

A resident welfare fund was set up for residents in February 2021 where residents if experiencing financial hardship can apply for financial support through Pathway's website for things like food parcels, support with whitegoods, funeral costs, decoration, etc.

Resident welfare checks carried out with our residents to check on their overall health, wellbeing during lockdown and Covid-19

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

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE (continued)

This report covers the activities of Housing Pathways Trust for the year ended 31 March 2022.

Distributive grants

Overall grants awarded by Housing Pathways Trust in 2021-22 amounted to £55,969 (2021: £120,188).

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).

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
MindFood	MindFood is an Ealing based charity supports people with mental health issues such as depression, anxiety, and stress to improve their wellbeing through food growing and horticulture. MindFood runs nature-based courses that support people to manage and improve their mental wellbeing. We teach food-growing, gardening and other mindful nature-based activities to help people tackle depression and anxiety.	£4,997
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.	£3,850
The Log Cabin	The Log Cabin Charity fills the gap in service not offered by special schools in the borough. We run after school clubs, holiday playscheme, weekend clubs and Start2Together for parents. The project supports children with disabilities and/or additional needs from the age of 5-15. A large portion of the children are medically complex and require 1:1 care as well as specialist facilities.	£4,800
Ealing Street Pastors	Ealing Street Pastors provide a vital role on the streets of Ealing in the night-time economy, caring, listening, and helping many young people, helping those with mental health challenges that have gone on to affect their physical and practical situations. We have signposted many people towards services that are able to help them make a positive step in their lives.	£8,000

Housing Pathways Trust

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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. For April 2021 to March 2022, we have paid the grants to the following organisations:

Recipients:	Project	Grant
Ealing Mencap Advice Consortium	The project will cover costs of helping vulnerable residents with disabilities, carers, and parents of young children with special educational needs who have had issues with social services, day services, residential homes, care agencies and care assessments.	£1,500
Fellowship Educational Society	Following the pandemic, the project delivers a digital channel to academically and emotionally support over 50 disadvantaged migrant families in West London through online guided learning activities and wellbeing sessions as well as providing consultancy, interpreting, and befriending support over the phone.	£1,500
Headway West London	The Project focus is on supporting brain injury survivors within their local community during their rehabilitation process, enabling them to develop self -management skills to cope with the often-catastrophic changes to their lives. COVID19 has exacerbated many of the problems survivors and their families face and many have been in the extremely vulnerable category. Some faced homelessness and many carers themselves became traumatised. We are providing vital virtual support via the phone, What's App, Zoom, newsletters, emails, social media and from our website.	£1,500
Next Step Foundation	The programme was set up to support students from disadvantaged backgrounds through the process of applying to selective UK universities It costs £500 for a student to participate on this programme which runs for 9 months. This includes skills are rarely covered by these pupils' standard curriculum. Such as in person tutoring, extension lectures, personal statement help and interview prep.	£1,000
Young Roots	Young Roots works with young refugees and asylum seekers aged 11-25 in London, supporting them to improve their wellbeing and mental health, and to fulfil their potential. We work with young people through 1:1 intensive casework support to resolve a range of complex and often critical issues; weekly sporting and youth activities at our Advice & Support Hubs and weekly youth clubs; and access to specialist legal and therapeutic support.	£1,500
Woman's Trust	The project was used for 22 person-centred counselling sessions for women affected by domestic abuse (DA) from your area of benefit in Ealing, provided by DA specialist counsellors Women access an initial session and then up to 18 weekly sessions. Counsellors help women explore, understand and recover from their experiences.	£1,500
	Derecognition of previously accrued grants	(£15,000)
	Total	£15,147

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE (continued)

Distributive grants (continued)

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 2022 £40,821 was awarded. Ealing Deanery Synod still had £2,000 in our Mission Fund which had been returned unused in a previous year. 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.

Church Community	Project	Amount
Christ the Saviour	Provide and co-ordinate series of workshops for church members to engage with and improve racial awareness and interaction	£2,000
St John's, West Ealing	Funding activities for a midweek elders support group	£2,000
Living Waters Arabic Church	Developing the work of the LWAC radio app	£2,000
St Barnabas, Pitshanger	Developing marketing material	£2,000
St Martin's, West Acton	Projector	£1,600
Holy Cross, Greenford	New Noticeboards	£2,000
St Thomas's, Hanwell	New Noticeboard	£2,000
Southall Parish	Develop old church building as community ministry.	£2,000
Southall Group Ministry	Develop a prayer labyrinth	£1,985
St Nicholas, Perivale	Delivery of Invitation pack Presence at Perivale Festival Open gardens and use creatively	£2,000
The Ascension, Hanger Hill	Live streaming tech for broadcasting	£2,000
St Peter's, Ealing	Live streaming tech	£2,000
St Mary's, Ealing	Live streaming and processing equipment developing digital services	£1,500

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE (continued)

Distributive grants (continued)

Church Community	Project	Amount
St Stephen's, Ealing	Live streaming tech	£2,000
St Dunstan's, East Acton	Live streaming equipment	£2,000
Oak Tree Fellowship	Updating live streaming equipment	£1,916
All Hallows, Greenford	Live streaming equipment	£1,820
St Mary's, Northolt	Live streaming equipment	£2,000
St Joseph the Worker	Live streaming equipment	£2,000
St Hugh's, Northolt	Live streaming equipment	£2,000
St Mary, Norwood Green	New noticeboard and live streaming equipment	£2,000
St George's, Southall	Streaming equipment	£2,000
	Return of unspent funds	(£2,000)
	Total	£40,821

Commercial Property

It's been a challenging year for our Commercial Lets 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 Commercial lets between March 2020 and June 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. the allotments provided a vital open space where people could get fresh air, exercise and, of course, grow their own healthy fruit and vegetables. The allotment site offered a refuge where you could talk to your plot neighbours and friends. Many plot holders said it was a 'lifeline' for both their physical and mental health.

Housing Pathways Trust

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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 20 members' data was included in the calculation.

Value for Money Key Metrics

	HfOP peer group 2021-22	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.	2.45%	2.02%	1.07%
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.	3%	(4.63) %	2.68%
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	381%	1,566%	1,293%
5. Social Housing Cost Per Unit The headline social housing cost per unit as defined by the Regulator	£5,792	£6,243	£5,675
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	9% 7.95%	5.41% 17.08%	9.16% 22.84%
7. ROCE % Compares the operating surplus to total assets less current liabilities. An assessment of the efficient investment of capital resources.	0.80%	1.28%	1.81%

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VALUE FOR MONEY (continued)

Social Housing Cost per Unit

	HfOP peer group 2021-22	Housing Pathways (average)	Housing Pathways Trust
Cost per home			
Management costs		2,494	2,553
Service charge costs		764	796
Routine maintenance cost		2,031	1,787
Planned maintenance		-	-
Major repairs expenditure		954	539
Other social housing costs		-	-
Total	£5,792	£6,243	£5,675

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.

Currently, the charity is planning to carry out a planned work programme targeting schemes where works are needed immediately after which an Asset management programme is put in place for the charity. 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 have had an improved return on investment during the financial year, this will continued as we transition into 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 2021-22	Housing Pathways 2021-22	Housing Pathways 2020-21	Housing Pathways 2019-20
Current resident annual WMC collection rate	99.82%	104%	-	103.2%
Current resident arrears as a % of the annual WMC	0.85%	2%	2.31%	2.73%
Homes with a valid Gas Safety Certificate %	-	100%	100%	100%
All reactive repairs completed within target time %	98.2%	72%	81%	85%
Emergency repairs completed within target time %	100%	89%	78%	79%
Urgent repairs completed within target time %	96.9%	70%	78%	82%
Routine repairs completed within target time %	96.2%	71%	87%	93%

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 2020 NHF CODE OF CONDUCT

Housing Pathways Trust adheres to the National Housing Federation 2020 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, continuous work will be done to ensure compliance with the 2020 code of Governance.

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COMPLIANCE WITH THE 2020 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 high cost of living and high inflation and to ensure the stress testing of business plans with changing scenarios.

FINANCIAL REVIEW

The Charity recorded a net movement in funds of £1,301,976 (2021: £551,716), this is due to income received from release of covenant on Dean Gardens £75,000, movement of fair value of investment properties increased by £742,000 and favourable movement on the value of investments to £138,052 (2021: £617,973).

In the year the Charity made a surplus on Social Housing Lettings of £90,072 (2021: £31,842). Non-social housing activities including allotments, commercial properties and other income was £415,805 (2021: £356,894) and income from fixed asset investments amounted to £97,916 (2021: £97,778). Grants payable and grass roots management costs were £75,549 (2021: £145,399). After interest, investment fees and movement in the fair value of the investment properties and fixed asset investments, the charity ended the year with a net movement in funds of £1,301,976 (2021: £551,716).

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 Funds at 31st March 2022 of £16,048,745 (2021: £14,195,769) comprising Restricted Funds of £1,886,998 (2021: £1,911,091), Permanent Endowment Funds of £9,376,403 (2021: £8,628,707) and Unrestricted Funds of £4,785,344 (2021: £4,206,971) including Designated Funds of £1,698,188 (2021: £1,616,851) including a grant reserve of £269,073, and maintenance reserves totaling £1,429,115.

The level of maintenance reserves is considered adequate to cover any such costs that are likely to be charged to the revenue account. General funds amount to £3,087,156 (2021: £2,590,120) 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. After making allowance for tangible fixed assets used for the charity's activities, reserves amounted to £1,651,154 (2021: £1,106,779).

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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. A Balanced objective has been adopted, seeking long term real return on capital as well as income. Companies engaging in or earning more than 10% of their profits from "home collected credit" represent the only ethical restriction in force.

The charity's portfolios with Investec achieved gross returns for the year of 5.14% and 4.49% before fees (4.44% and 3.84% after fees) compared to the benchmark return of 10.27% based on the investment objective

The charity also has investments in the M&G Charity Multi Asset Fund and M&G Equities Investment Funds which both seek a combined income and capital real return. The next annual review of the investment providers and investment product is planned to be undertaken by December 2022.

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 Health & Safety for residents and staff, the long-term impact of the Covid-19 pandemic, increased energy cost, high cost of living and high inflation rate 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.

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.

Housing Pathways Trust
Annual Report of the Trustees
For The Year Ended 31st March 2022

FINANCIAL REVIEW (continued)

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.

After the charity merger that takes place on 1st April 2022, the charity is in a much stronger position to reinvest in maintenance and new facilities.

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 TRUSTEES' 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 Trustees
For The Year Ended 31st March 2022

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.

TRUSTEES' 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 Trustees
For The Year Ended 31st March 2022

CHAIRMAN'S REPORT

Our homes are always important to us. They are the place we should be able to retreat to either at the end of a busy day or simply from all that is going on around us. Our hope and aim at Pathways is to provide good housing that each resident can call home.

The last few years have been challenging for so many people and Pathways have been and are, committed, to providing those secure, safe, and comfortable homes for our residents.

One of the best ways that we can enable this to happen is through a good staff team and despite seeing some great staff move on we have ended the year with perhaps the strongest team we have had for a long time. Recently, I was delighted to read some feedback from a resident who was expressing her gratitude for the improvements in her flat and the team that were now looking after her.

Our Grants committee continue to give grants to help those in need in the Ealing area and over the last year we have been able to pass on £55,968. These grants are all given to good causes and to know that Pathways is supporting people in need all adds to the special family that we have in Pathways.

I am grateful for our strong staff team and a stable and skilled Board whose members offer their services to help make us a secure, safe, and forward-looking trust.

Approved by the Board of Directors at its meeting on 15 September 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Mark Melliush', with a stylized, cursive script.

Mark Melliush

Chair of Housing Pathways

Housing Pathways Trust**Independent Auditor's Report to the Trustees of Housing Pathways Trust****For The Year Ended 31st March 2022****Opinion**

We have audited the financial statements of Housing Pathways Trust (the 'charity') for the year ended 31st March 2022 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 2022 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

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

For The Year Ended 31st March 2022

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.

Housing Pathways Trust

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

For The Year Ended 31st March 2022

Auditor's responsibilities for the audit of the financial statements (continued)

- 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.
- 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.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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

15/9/ 2022

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

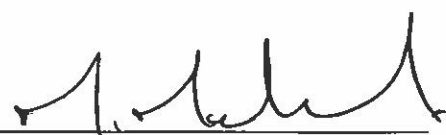
For The Year Ended 31st March 2022

	Notes	2022				2021			
		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	2								
<i>Almshouse Accommodation</i>		971,719	-	-	971,719	977,867	-	-	977,867
<i>Allotments</i>		25,960	-	-	25,960	22,644	-	-	22,644
Other Trading Activities	3	77,135	-	-	77,135	77,212	-	-	77,212
Investments	4	403,309	7,317	-	410,626	348,839	5,329	648	354,816
Other		-	-	75,000	75,000	-	-	-	-
		1,478,123	7,317	75,000	1,560,440	1,436,562	5,329	648	1,442,539
Expenditure on									
Raising Funds	5	196,802	1,915	6,380	205,097	171,257	1,753	6,186	179,196
Charitable Activities	6								
<i>Almshouse Accommodation</i>		729,553	35,964	135,665	901,182	796,146	35,964	134,634	966,744
<i>Allotments</i>		20,999	-	1,689	22,688	20,767	-	1,690	22,457
<i>Grant making</i>		75,071	-	478	75,549	144,921	-	478	145,399
		1,022,425	37,879	144,212	1,204,516	1,133,091	37,717	142,988	1,313,796
Gains/(losses) on investments	15	104,581	6,469	27,002	138,052	442,739	58,165	117,069	617,973
Gains/(losses) on investment properties	11	-	-	742,000	742,000	-	-	-	-
		560,279	(24,093)	624,790	1,235,976	746,210	25,777	(25,271)	746,716
Net income/(expenditure)									
Actuarial gains/(losses)	22	66,000	-	-	66,000	(195,000)	-	-	(195,000)
Transfers between funds	19	(47,906)	-	47,906	-	(125,522)	-	125,522	-
		578,373	(24,093)	747,696	1,301,976	425,688	25,777	100,251	551,716
Net movement in funds									
Funds brought forward 1st April 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
Funds carried forward 31st March 2022		4,785,344	1,886,998	9,376,403	16,048,745	4,206,971	1,911,091	8,628,707	14,746,769

Housing Pathways Trust**Balance Sheet****As At 31st March 2022**

	Notes	£	2022	£	£	2021	£
Fixed Assets							
Housing Properties	10		6,662,655			6,803,292	
Investment Properties	11		4,790,000			4,048,000	
Other Fixed Assets	12		1,382,724			1,401,885	
Social Investments	14		-			-	
Investments	15		3,851,194			3,667,656	
			<u>16,686,573</u>			<u>15,920,833</u>	
Current Assets							
Trade and Other Debtors	16	141,650			221,905		
Cash and Cash Equivalents		<u>1,009,516</u>			<u>636,441</u>		
		1,151,166			858,346		
Creditors: Amounts falling due within one year	17	<u>(306,073)</u>			<u>(372,415)</u>		
Net Current Assets				845,093			485,931
Creditors: Amounts falling due after more than one year	18		(1,325,921)			(1,407,995)	
Provisions for liabilities	22		<u>(157,000)</u>			<u>(252,000)</u>	
Net Assets			<u>£16,048,745</u>			<u>£14,746,769</u>	
Funds							
Permanent Endowment	19		9,376,403			8,628,707	
Restricted Funds	19		1,886,998			1,911,091	
Unrestricted Funds	19		<u>4,785,344</u>			<u>4,206,971</u>	
Total Funds			<u>£16,048,745</u>			<u>£14,746,769</u>	

The financial statements were approved by the Trustees on 15 September 2022 and signed on its behalf by:



Trustee

Mark Melliush (Chair)



Trustee

Matthew Doyle

Housing Pathways Trust
Statement Of Cash Flows
For The Year Ended 31st March 2022

	Notes	2022 £	2021 £
Net Cash generated from Operating Activities	A	498,960	215,730
Cash Flows from Investing Activities			
Capitalised works to existing housing properties		(71,191)	(42,790)
Purchase of other fixed assets		(540)	-
Repayments of Social Investments		1,743	436
Proceeds from sale of investments		725,349	328,039
Additions to investments		(708,104)	(494,651)
Investment management fees		(22,012)	(21,437)
Investment income and bank interest received		96,632	87,009
Net Cash generated from/(used in) Investing Activities		<u>21,877</u>	<u>(143,394)</u>
Cash Flows from Financing Activities			
Interest paid		(32,988)	(33,436)
Repayment of Loans		(59,405)	(58,318)
Net Cash (used in)/generated from Financing Activities		<u>(92,393)</u>	<u>(91,754)</u>
Net Change in Cash and Cash Equivalents		428,444	(19,418)
Cash and Cash Equivalents at the beginning of the year		<u>737,931</u>	<u>757,349</u>
Cash and Cash Equivalents at the end of the year		<u>£1,166,375</u>	<u>£737,931</u>
A Cash Flows from Operating Activities			
Net Income/(Expenditure) for the year		1,235,976	746,716
Depreciation		222,633	221,345
Income from Investments		(97,916)	(97,778)
Interest Payable		37,988	35,436
Investment management fees		22,012	21,437
Decrease/(Increase) in Debtors		74,177	(32,476)
Increase/(Decrease) in Creditors		(89,011)	(22,358)
(Decrease)/Increase in Pension Provision		(34,000)	(37,000)
Disposal of fixed assets		8,896	(1,183)
Reversal of impairment of Social Investments		(1,743)	(436)
(Gains)/Losses on Investments		(138,052)	(617,973)
Revaluation of investment property		(742,000)	-
		<u>£498,960</u>	<u>£215,730</u>
B Cash and Cash Equivalents			
Bank Balances		1,009,516	636,441
Investment Managers Cash		156,859	101,490
		<u>£1,166,375</u>	<u>£737,931</u>

Housing Pathways Trust
Statement Of Cash Flows
For The Year Ended 31st March 2022

Reconciliation of Net Debt

	At 01.04.21	Cash Flows	At 31.03.22
	£	£	£
Cash and Cash equivalents	737,931	428,444	1,166,375
Loans falling due within one year	(54,000)	(3,639)	(57,639)
Loans falling due after more than one year	(1,337,089)	63,044	(1,274,045)
Total	<u>£(653,158)</u>	<u>£487,849</u>	<u>£(165,309)</u>

Housing Pathways Trust
Notes To the Financial Statements
For The Year Ended 31st March 2022

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 financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) Second Edition issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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 and is recognised on an accruals basis.

Investment income is earned through holding assets for investment purposes such as shares and property and includes dividends and interest and rents and service charges from investment properties. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established. The Charity 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. Rental income is recognised straight line over the term of the lease and service charges are recognised on an accruals basis.

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.

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2022

1. Accounting Policies (continued)

(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.

(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 Investment Properties, 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.

Housing Pathways Trust
Notes To the Financial Statements
For The Year Ended 31st March 2022

1. Accounting Policies (continued)

(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.

(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.

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2022

1. Accounting Policies (continued)

(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.

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.

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2022

1. Accounting Policies (continued)

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 22, 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 2022

2. Income from Charitable Activities

	2022	2021
	£	£
<i>Almshouse Accommodation</i>		
Maintenance contributions	850,213	844,819
Services contributions	121,506	133,048
	<u>971,719</u>	<u>977,867</u>
<i>Allotments</i>		
Allotment rents	25,960	22,644
	<u>£997,679</u>	<u>£1,000,511</u>

3. Income from Other Trading Activities

Private Lets	<u>£77,135</u>	<u>£77,212</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	240,350	218,194
Ground rent receivable	3,950	3,950
Service charges receivable	68,410	34,894
	<u>312,710</u>	<u>257,038</u>
Investment Income & Bank Interest	97,916	97,778
	<u>£410,626</u>	<u>£354,816</u>

5. Raising Funds

	2022	2021
	£	£
Investment management fees	22,012	21,437
<i>Investment property costs</i>		
Management & support costs	50,895	53,199
Maintenance	18,022	28,749
Insurance	18,218	17,332
Section 20 works	36,214	-
Professional fees	15,915	-
Bad debts	43,821	58,479
	<u>£205,097</u>	<u>£179,196</u>

Housing Pathways Trust
Notes To the Financial Statements
For The Year Ended 31st March 2022

6. Charitable Activities

	2022	2021
	£	£
<i>Almshouse Accommodation</i>		
Management & support costs	337,004	357,503
Services	105,031	127,174
Maintenance	235,898	260,887
Depreciation	202,932	202,518
Disposals	(1,103)	(1,183)
Bad debts	1,885	-
Interest payable	19,535	19,845
	<u>901,182</u>	<u>966,744</u>
<i>Allotments</i>		
Management	8,100	9,415
Depreciation	1,194	1,194
Maintenance	1,738	-
Support costs	11,656	11,848
	<u>22,688</u>	<u>22,457</u>
<i>Grant-making</i>		
Grants awarded to institutions	55,969	120,188
Grants officer costs	10,082	14,222
Reversal of impairment of concessionary loan	(1,743)	(436)
Support costs	11,241	11,425
	<u>75,549</u>	<u>145,399</u>
	<u><u>£1,018,916</u></u>	<u><u>£1,134,600</u></u>

A breakdown of the institutions which were awarded grants during the year can be found in the Report of the Trustees.

7. Support Costs

	2022	2021
	£	£
Staff costs	244,254	278,659
Administration	93,303	88,739
Depreciation of office property	17,633	17,634
Professional fees	4,846	(5,943)
Bank charges and sundries	2,490	602
Loan interest	13,453	13,591
Pension costs and interest	11,697	4,959
Irrecoverable VAT	13,640	22,462
Governance costs	9,480	9,000
	<u>£410,796</u>	<u>£429,703</u>

Included within Governance Costs is auditor's remuneration for the audit of the financial statements amounting to £9,480 (2021: £9,000). Excluding VAT these amounts are £7,900 and £Nil (2021: £7,500).

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2022

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:

	2022	2021
	£	£
Wages and salaries	206,243	205,486
Social security costs	18,567	17,707
Pension costs	11,237	9,008
Redundancy	9,619	30,862
Off-payroll contractors	8,670	26,506
	<u>£254,336</u>	<u>£289,569</u>

The average weekly numbers of full-time equivalent employees during the year were 10 (2021: 11) and the average number of employees was 10 (2021: 11). The proportion of remuneration payable to key management personnel for their services to the Charity amounted to £78,499 (2021: £120,485).

The number of staff whose total remuneration payable by the group fell in the band £60,000 to £70,000 was nil (2021: nil), in the band £70,000 to £80,000 was nil (2021: nil), in the band £80,000 to £90,000 was nil (2021: nil), and in the band £90,000 to £100,000 was nil (2021: one).

9. Social Housing Lettings – Sheltered Housing

Maintenance contributions	850,213	844,819
Service charges receivable	<u>121,506</u>	<u>133,048</u>
Turnover from Social Housing Letting	<u>971,719</u>	<u>977,867</u>
Management	337,004	357,503
Services	105,031	127,174
Routine and Cyclical Maintenance	235,898	260,887
Property Depreciation	202,932	201,644
Bad debts	1,885	-
Operating costs of Social Housing Lettings	<u>(882,750)</u>	<u>(947,208)</u>
Gain/(Loss) on replacement of components	1,103	1,183
Operating surplus/(deficit) on Social Housing Lettings	<u>£90,072</u>	<u>£31,842</u>
Void Losses	<u>£5,539</u>	<u>£15,926</u>

Housing Pathways Trust
Notes To the Financial Statements
For The Year Ended 31st March 2022

10. Fixed Assets Housing Properties

	2022 Total £	2021 Total £
Cost		
As at 1st April 2021	8,826,445	8,790,835
Works to existing properties	71,191	42,790
Disposals	(19,863)	(7,180)
As at 31st March 2022	<u>8,877,773</u>	<u>8,826,445</u>
Depreciation		
As at 1st April 2021	2,023,153	1,829,872
Charge for the year	202,932	201,644
Disposals	(10,967)	(8,363)
As at 31st March 2022	<u>1,215,118</u>	<u>2,023,153</u>
Net Book Value at 31st March 2022	<u>£6,662,655</u>	<u>£6,803,292</u>

All Properties are Freehold Properties except for two properties held on long leaseholds (cost £362,711 accumulated depreciation £57,343).

11. Investment Properties

	Ealing Green £	Total £
Fair Value		
As at 1st April 2021	4,048,000	4,048,000
Additions	-	-
Movement in fair value	742,000	742,000
As at 31st March 2022	<u>4,790,000</u>	<u>4,790,000</u>

The Investment properties were valued by Willmotts at £4,790,000 as at 9th May 2022.

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2022

12. Other Fixed Assets

	Allotments	Fixtures, Fittings & Equipment	Office	Total
	£	£	£	£
Cost				
As at 1st April 2021	798,881	8,732	679,846	1,487,459
Additions	-	540	-	540
Disposals	-	-	-	-
As at 31st March 2022	<u>798,881</u>	<u>9,272</u>	<u>679,846</u>	<u>1,487,999</u>
Depreciation				
As at 1st April 2021	9,980	5,055	70,539	85,574
On disposals	-	-	-	-
Charge for the year	<u>1,194</u>	<u>874</u>	<u>17,633</u>	<u>19,701</u>
As at 31st March 2022	<u>11,174</u>	<u>5,929</u>	<u>88,172</u>	<u>105,275</u>
Net Book Value				
At 31st March 2022	<u>£787,707</u>	<u>£3,343</u>	<u>£591,674</u>	<u>£1,382,724</u>
At 31st March 2021	<u>£788,901</u>	<u>£3,677</u>	<u>£609,307</u>	<u>£1,401,885</u>

13. Capital Grants

	2022	2021
	£	£
Aggregate amount received		
At 1st April 2021 and 31st March 2022	<u>£2,519,492</u>	<u>£2,519,492</u>
Released to Statement of Financial Activities		
At 1st April 2021 and 31st March 2022	<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 2022

14. Social Investments

	2022	2021
	£	£
Concessionary loans		
At 1st April 2021	-	-
Repayments in the year	(1,743)	(436)
Reversal of impairment	1,743	436
At 31st March 2022	<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 2022 is £48,081 (2021: £49,824).

15. Fixed Asset Investments

	2022			2021
	Unrestricted	Grassroots	Total	Total
	£	£	£	£
Fair Value				
At 1st April 2021	3,302,081	264,085	3,566,166	2,778,484
Additions	658,485	56,981	715,466	497,748
Disposals	(682,993)	(42,356)	(725,349)	(328,039)
Realised gains/(losses)	(10,778)	818	(9,960)	8,174
Unrealised gains/(losses)	142,361	5,651	148,012	609,799
At 31st March 2022	<u>3,409,156</u>	<u>285,179</u>	<u>3,694,335</u>	<u>3,566,166</u>
Cash Deposits	150,716	6,143	156,859	101,490
	<u>£3,559,872</u>	<u>£291,322</u>	<u>£3,851,194</u>	<u>£3,667,656</u>
 Fixed Interest	151,212	15,284	166,496	358,208
Equities and Unit Trust	2,880,505	232,855	3,113,360	2,832,116
Property and Alternatives	377,439	37,040	414,479	175,842
Cash	150,716	6,143	156,859	101,490
	<u>£3,559,872</u>	<u>£291,322</u>	<u>£3,851,194</u>	<u>£3,667,656</u>

Included within Fixed Asset Investments is £3,694,335 (2021: £3,566,166) measured at fair value through net income/(expenditure).

16. Debtors

	2022	2021
	£	£
Residents' Contributions	20,186	24,358
Provision for Doubtful Debts	-	(5,090)
	<u>20,186</u>	<u>19,268</u>
Private Let and Investment Property Debtors	112,066	165,289
Prepayments and accrued income	9,398	37,348
	<u>£141,650</u>	<u>£221,905</u>

Housing Pathways Trust
Notes To the Financial Statements
For The Year Ended 31st March 2022

17. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade Creditors	20,812	34,976
VAT	12,536	29,500
Connected parties:		
Housing Pathways	8,822	7,135
Almshouse & Eleemosynary Charity	4,237	34,061
Pathways Jubilee Charity	52	-
Loans	57,639	54,000
Grants payable	26,306	42,105
Deferred income	68,046	68,038
Accrued expenses & Other Creditors	107,623	102,600
	<u>£306,073</u>	<u>£372,415</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 are repayable in monthly instalments over remaining terms of 17 and 19 years, at an interest rate of 2.25% over base rate.

Deferred income at 1 April	68,038	78,154
Income recognised in the year	(68,038)	(78,154)
Amounts deferred this year	68,046	68,038
Deferred income at 31 March	<u>£68,046</u>	<u>£68,038</u>

Deferred income represents rent and service charges invoiced to tenants of the charity's investment properties related to periods beyond the balance sheet date.

18. Creditors: Amounts falling due outside one year

Grants payable	-	8,550
Tenant deposits	51,876	62,356
Loans (Note 17)	1,274,045	1,337,089
	<u>£1,325,921</u>	<u>£1,407,995</u>

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2022

19. Funds	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/(losses) on investments £	Other gains /(losses) £	Transfers £	Balance at 31 March 2022 £
Unrestricted Funds							
General Funds	2,590,120	1,441,576	(1,014,138)	51,504	66,000	(47,906)	3,087,156
<i>Designated Funds</i>							
Grants Reserve	269,073	-	-	-	-	-	269,073
Cyclical Repairs and Maintenance Reserve	179,254	4,861	(1,102)	7,059	-	-	190,072
Extraordinary Repairs Reserve	1,168,524	31,686	(7,185)	46,018	-	-	1,239,043
	4,206,971	1,478,123	(1,022,425)	104,581	66,000	(47,906)	4,785,344
Restricted Funds							
Fixed Asset Fund	1,564,473	-	(35,964)	-	-	-	1,528,509
Grassroots Fund	346,618	7,317	(1,915)	6,469	-	-	358,489
	1,911,091	7,317	(37,879)	6,469	-	-	1,886,998
Endowment Funds							
Permanent Endowment	8,628,707	75,000	(144,212)	769,002	-	47,906	9,376,403
	£14,746,769	£1,560,440	£(1,204,516)	£880,052	£66,000	£ -	£16,048,745
	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

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2022

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	6,662,655	-	-	-	-	6,662,655
Investment						
Properties	2,395,000	2,395,000	-	-	-	4,790,000
Other Fixed Assets	1,382,724	-	-	-	-	1,382,724
Investments	2,600,930	294,256	659,924	4,762	291,322	3,851,194
Net Current						
Assets/ (Liabilities)	221,066	614,429	(57,927)	358	67,167	845,093
Creditors Due						
Outside One Year	(1,299,983)	(25,938)	-	-	-	(1,325,921)
Provisions for						
Liabilities	(157,000)	-	-	-	-	(157,000)
	<u>£11,805,392</u>	<u>£3,277,747</u>	<u>£601,997</u>	<u>£5,120</u>	<u>£358,489</u>	<u>£16,048,745</u>
Permanent						
Endowment	6,144,184	2,731,047	498,191	2,981	-	9,376,403
Restricted Funds	1,528,509	-	-	-	358,489	1,886,998
Designated Funds	1,553,839	144,349	-	-	-	1,698,188
Unrestricted Funds	2,578,860	402,351	103,806	2,139	-	3,087,156
	<u>£11,805,392</u>	<u>£3,277,747</u>	<u>£601,997</u>	<u>£5,120</u>	<u>£358,489</u>	<u>£16,048,745</u>

Housing Pathways Trust**Notes To the Financial Statements****For The Year Ended 31st March 2022****21. Net Assets by Funds**

	Permanent Endowment £	Restricted Funds £	Unrestricted Funds £	2022 Total £
Housing Properties	3,701,487	1,528,509	1,432,659	6,662,655
Investment Properties	4,790,000	-	-	4,790,000
Other Fixed Assets	1,379,381	-	3,343	1,382,724
Investments	716,549	291,322	2,843,323	3,851,194
Net Current Assets/(Liabilities)	63,031	67,167	714,895	845,093
Creditors Due Outside One Year	(1,274,045)	-	(51,876)	(1,325,921)
Provisions for Liabilities	-	-	(157,000)	(157,000)
	<u>£9,376,403</u>	<u>£1,886,998</u>	<u>£4,785,344</u>	<u>£16,048,745</u>

	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>

Housing Pathways Trust**Notes To the Financial Statements****For The Year Ended 31st March 2022****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)

	2022 £	2021 £
Fair value of plan assets	1,039,000	1,100,000
Present value of defined benefit obligation	(1,196,000)	(1,352,000)
Surplus/(deficit) in plan	(157,000)	(252,000)

Reconciliation of opening and closing balances of the Defined Benefit Obligation

	2022 £	2021 £
Defined benefit obligation at start of period	1,352,000	1,089,000
Current service cost	10,000	6,000
Expenses	3,000	3,000
Interest expense	29,000	26,000
Contributions by plan participants	4,000	4,000
Actuarial losses/(gains) due to scheme experience	(17,000)	(24,000)
Actuarial losses/(gains) due to changes in demographic assumptions	(19,000)	5,000
Actuarial losses/(gains) due to changes in financial assumptions	(105,000)	272,000
Benefits paid and expenses	(61,000)	(29,000)
Defined benefit obligation at end of period	1,196,000	1,352,000

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

	2022 £	2021 £
Fair value of plan assets at start of period	1,100,000	997,000
Interest income	24,000	24,000
Experience on plan assets	(75,000)	58,000
Contributions by the employer	47,000	46,000
Contributions by plan participants	4,000	4,000
Benefits paid and expenses	(61,000)	(29,000)
Fair value of plan assets at end of period	1,039,000	1,100,000

The actual return of the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £(51,000).

Housing Pathways Trust
Notes To the Financial Statements
For The Year Ended 31st March 2022

22. Pension Obligations (continued)

Defined Benefit costs recognised in Net Income/(Expenditure)

	2022 £	2021 £
Current service cost	10,000	6,000
Less: amount allocated to other group charities	(3,303)	(3,041)
Expenses	3,000	3,000
Net interest expense	5,000	2,000
	<u>14,697</u>	<u>7,959</u>

Defined Benefit costs recognised in Other Gains and Losses

	2022 £	2021 £
Experience on plan assets	(75,000)	58,000
Experience gains and losses arising on the plan liabilities	17,000	24,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	19,000	(5,000)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	105,000	(272,000)
Actuarial (loss)/gain recognised in other recognised gains/(losses)	<u>66,000</u>	<u>(195,000)</u>

Housing Pathways Trust**Notes To the Financial Statements****For The Year Ended 31st March 2022****22. Pension Obligations (continued)**

Assets	2022 (£000s)	2021 (£000s)
Global Equity	199	175
Absolute Return	42	61
Distressed Opportunities	37	32
Credit Relative Value	34	35
Alternative Risk Premia	34	41
Emerging Markets Debt	30	44
Risk Sharing	34	40
Insurance-Linked Securities	24	26
Property	28	23
Infrastructure	74	73
Private Debt	27	26
Opportunistic Illiquid Credit	35	28
High Yield	9	33
Opportunistic Credit	4	30
Corporate Bond Fund	69	65
Liquid Credit	-	13
Long Lease Property	27	22
Secured Income	39	46
Liability Driven Investment	290	280
Currency Hedging	(4)	-
Net Current Assets	7	7
Total Assets	1,039	1,100

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	2022 % per annum	2021 % per annum
Discount Rate	2.79	2.18
Inflation (RPI)	3.54	3.27
Inflation (CPI)	3.17	2.87
Salary Growth	4.17	3.87
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31st March 2022 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2022

23. Capital Commitments

At 31st March 2022 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 2022 or 31st March 2021, 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 2022 and 31st March 2021 were:

	Units Under Ownership	
	2022	2021
Social Housing Accommodation		
Sheltered Housing	132	132
Units let privately	<u>6</u>	<u>6</u>

26. Related Parties

Housing Pathways was until 1st April 2022 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 2022 the Trust was allocated staff costs of £254,336 (2021: £289,569). Housing Pathways provides full administrative services to the charity and charged £93,303 (2021: £88,739) to the Charity.

At 31st March 2022 the Trust owed £8,822 (2021: £7,135) to Housing Pathways and £52 (2021: £Nil) to The Pathways Jubilee Charity.

At 31st March 2022 the Trust owed £4,237 (2021: £34,061) 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 (charity number 1143249, company number 07626917), the corporate trustee, is considered to be the ultimate parent undertaking of the charity. The consolidated financial statements including the charity's results can be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. 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 2022

28. Post Balance Sheet Event

By order of a Scheme issued by the Charity Commission, on 1st April 2022 the Pathways Jubilee Charity and Almshouse and Eleemosynary Charity were merged into Housing Pathways Trust. The net assets acquired on this merger amounts to £6,055,132. This Scheme also merged Branch 2 of the Charity into Branch 1.

