

HOUSING PATHWAYS TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023

Social Housing Regulator No. A0376

Charity Registered No. 211053

Housing Pathways Trust
Financial Statements
For The Year Ended 31st March 2023

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Housing Pathways Trust
Annual Report of The Trustees
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY

Charity Registration

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

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:
 33 Dean Court
 Bowmans Court
 Ealing,
 London
 W13 9YU

Trustees

Housing Pathways	Corporate Trustee, resigned 1 st April 2022
Rev. Mark Melluish	Ex-Officio, Chair, from 1 st April 2022
Ms Janet Weekes	From 1 st April 2022, resigned 15 th September 2022
Ms Katherine Yentumi	From 1 st April 2022, resigned on 27 th October 2022
Ms Isabella Rossi	From 1 st April 2022
Mr Matthew Doyle	From 1 st April 2022
Ms Andrea Joseph	From 1 st April 2022
Mr Andrew Jefford	From 1 st April 2022, resigned on 14 th March 2023
Mr Joshua Reddaway	Appointed on 27 th October 2022
Ms Fiona Howie	Appointed on 13 th July 2023
Ms Tycia Riley	Appointed on 13 th July 2023

Custodian Trustees:

Title to the charity's housing properties and investment properties is vested in the Official Custodian for Charities on behalf of Housing Pathways Trust.

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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 the Chief Executive on the 31st of October 2022. Bolaji Omotade is the Head of Finance & Company Secretary.

The operational manager Mike Smart left Pathways in March 2023. The new operational Manager has been appointed and will be joining Pathways in November 2023.

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 Document

Housing Pathways Trust is an unincorporated charity which is governed by a Scheme issued by the Charity Commissioners for England and Wales on 31st March 2022, effective from 1st April 2022. This Scheme represented the merger of Almshouse & Eleemosynary Charity and Pathways Jubilee Charity into Housing Pathways Trust. This Scheme replaced previous Schemes dated 18th May 2000, as amended by resolution dated 24th March 2011, and 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. Under the new Scheme, the area of benefit is expanded, as set out in the Objects on page 4, in line with the location of almshouse properties now owned by the Charity.

How Trustees are Recruited, Appointed, Inducted and Trained

The Charity's Scheme provides for two ex-officio trustees, being the vicar for the time being of the ecclesiastical parish of St John with St James, West Ealing and the Rector for the time being of the ecclesiastical parish of St Paul's, Brentford, or their substitute. Additionally, the Archdeacon of Northolt may nominate one trustee.

There are no geographical restrictions on trustees' 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 trustee vacancies are interviewed by the Chair of the Board and 2 other Board members of the nominations committee prior to appointments. All new trustees have an induction session which covers core areas of the business.

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

Organisation and Management

The day-to-day management of the Charity is delegated to its Chief Executive and staff. The Chief Executive reports to the Chair and the Board of Trustees of Housing Pathways Trust.

Housing Pathways Trust provides a full management service to King George V Memorial Houses, 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 Trustees, 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 Trustees.

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)

During the year, the two board members who retired from the board were appointed as co-optees to the committees. Janets Weekes was appointed as a co-optee to the Audit & Risk Committee and Katherine Yentumi was appointed to the Grant Committee as a co-optee.

The board considers a range of peer organisations' 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 2022 staff pay review, the prevailing CPI rate, the cost-of-living crisis, and its possible effect on the economy in general and house prices and rents in particular were considered.

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 is 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 1st April 2022):

(1) The objects of branch 1 are:

- (a) the provision of relief for persons in the London boroughs of Wandsworth, Hackney, Waltham Forest, Enfield, Haringey, Greenwich, Newham, Tower Hamlets, Lambeth, Ealing and Hounslow who are in need, hardship or distress including, without limitation, provision of social housing and housing accommodation, including almshouse accommodation for beneficiaries subject to the provisions in subclauses (c), (d) and (e) below and provision of medical, domiciliary and other care through, among other things, making grants of money; and
- (b) Such charitable purposes for the benefit of the residents of the charity as the trustees decide.
- (c) Preference for appointing residents in the Victoria Almshouses shall be given to persons not less than 60 years old.
- (d) Preference for appointing residents in the Wheeler Homes shall be given to persons not less than 60 years old and members of the Church of England.
- (e) The trustees must retain 33 of the Jubilee properties for use by beneficiaries who are single women and must retain 50 of the Jubilee properties for beneficiaries who are over 50 years of age.
- (f) Subject to the provisions of clause 33 (Power to dispose of and replace purpose property), the land identified in part 1 of the schedule to this scheme must be retained by the trustees for use for the objects of the charity as set out in this clause 5(1).

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OBJECTIVES AND ACTIVITIES (continued)

Branch 2

The objects of branch 2 are to further the religious and other charitable work of the Church of England in the London Borough of Ealing.

Branch 3

The objects of branch 3 are to promote the education of children who are in need of financial assistance and are resident in the London Borough of Ealing.

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 234 units of housing accommodation across sixteen sites based in London borough of Ealing, Enfield, Greenwich, Hackney, Haringey, Newham, Waltham Forest, and Wandsworth which are let to older people who meet the below qualifying criteria: -

- (a) aged 50 years or over;
- (b) resident now and for the past 2 years in some of the borough listed above
- (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. Additionally, there are 13 units let privately at market rents because older residents could not be found, or they were considered unsuitable for social housing use.

In total the charity owns and manages 255 units of accommodation consisting of 234 for older people across 16 sites, 8 general needs units across 2 sites (2022: 132 units) and 13 units (2022: 6 units) let on private rents. The increase from the prior year reflects the merger with Pathways Jubilee Charity and Almshouse and Eleemosynary Charity.

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OBJECTIVES AND ACTIVITIES (Continued)

Allotments

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

Ealing Green

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

Grants

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

Grants are also provided under:

- Branch 2 from an ecclesiastical fund to recipients determined by the Ealing Deanery Synod.
- The Grassroots fund.

The main grants programme covers Ealing, Brentford, and its neighbourhood. 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

Distributive grants

Overall grants awarded by Housing Pathways Trust in 2022-23 amounted to £88,086 (2022: £55,969).

The main Pathways Grants programme is funded from the net rental income derived from our commercial shops at The Green, Ealing.

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 were as follows:

Recipients:	Project	Grant
Ealing Music Therapy	EMT was established by a group of parents with children with special needs which provides Music Therapy on a full day basis in schools within the London Borough of Ealing. EMT benefit more children and young people with special needs attending school in the London Borough of Ealing through Music Therapy over the next 18 months and beyond.	£7,500
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.	£7,860
Young Ealing Foundation	The project will support small, local charities that support children. The project enables them to work with members who are ready to move towards sustainability by supporting them over 12 months to develop the following through a range of group workshops and one-to-one support	£10,000
Homestart Ealing	The Project will provide targeted support work to families in Hanwell, Ealing and Dormers Wells areas who have at least 1 child aged under 5 with a special focus on those with children born during or just before lockdown who are isolated and struggling. The project will work intensively with 10-12 families for approx 6 months with intensive input from a skilled and experienced staff member to tackle serious concerns and issues like the cost-of-living crisis, benefits, housing, and mental health.	£10,000

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE (continued)

Distributive grants (continued)

Recipients:	Project	Grant
Alliance Arts	The project Isolation Empowerments main goal is to provide 50 residents from various ages ranging from 6-32 years old from all diverse backgrounds, gender identities and religions etc within the Brentford and Hounslow area. Their main aim is to instils confidence into nervous individuals through the arts helping to address and discuss the topic of isolation due to the pandemic, and to create safe spaces for teenagers working towards the prevention of street crime and possible career development skills within the arts sector.	£5,000
Ealing Law Centre	The Ealing Law Centre project is a provision of free legal advice and advocacy at Courts and Tribunals. The request for funding was for additional hours for a 'Crisis Navigator' to provide weekly one to one support for a period of 10 weeks, and help people navigate the appeals and tribunal system.	£10,000
Women's Trust	The project provides free 1-to-1 specialist domestic abuse counselling for Ealing women, main objective is to expand their capacity to provide at least 30 women ages 16-100, with in Ealing who are unable to receive support to be offered domestic abuse counselling giving 9 women in the local area the opportunity to receive emotional support through counselling, participation in self-development workshops, hardship support and legal advice. The project has now expanded their services to teenagers due to lack of support resources provided to this age demographic, the increase of domestic abuse through technology and the Covid-19 pandemic.	£4,700
Age UK Ealing	The project was aimed to provide older people from 75-100 with in the borough of Ealing support lines and companionship through care centres. Ealing befriending project's main objective is to support local senior people ranging from 75-100 with free call support services, day centre activities and access to advice to improve health and wellbeing, financial hardships, and housing etc. Improving living conditions and relieving feelings of isolation working towards the prevention of extreme cases of poverty and homelessness amongst the older demographic to increase confidence and independence. Providing day care centres to alleviate feelings of isolation and exclusion through various activities promoting friendship building and preventing the further decline in physical and mental health.	£9,797

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE (continued)

Distributive grants (continued)

Branch 2 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 2022-23 the Synod was granted £22,670 (2022: £40,821) to award to their agreed recipients. Whilst each of the grants is small in value, there is a real and very beneficial impact on the churches involved and their level of outreach.

Church Community	Project	Amount
St Mary's, Ealing	South Ealing Community Food Cupboard	£750
The Ascension, Hanger Hill with St Mary's West Twyford	Parish publicity to new or hard to access housing	£2,000
St Paul's Ealing	Ealing Community School of English	£1,500
St Barnabas, Pitshanger	Children's Worker for Noisy Mass	£1,500
St Martin's, West Acton	Support for Ukrainian refugee	£300
St Dunstan's, East Acton	Garden Club and Muddy Church	£2,000
St Dunstan's, East Acton	Acton Asylum Seeker drop-in	£2,000
Holy Cross, Greenford	Internal notice boards	£1,000
Christ the Redeemer Southall	Loop system incorporating the audio system	£2,000
All Hallows, Greenford	All Hallows Community Jubilee Party	£2,000
St Thomas Hanwell	Church Hall Notice Board	£2,000
St Mellitus with St Mark	New external notice boards	£1,620
St John's Southall Parish	Food Hub	£2,000
St George's, Southall	Youth Discipleship Cells	£2,000
	TOTAL APPROVED	£22,670

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE (continued)

Housing for Older People

In 2022-23 we housed 10 new residents in our Almshouse accommodation for older people.

During the year we completed improvements to properties, including:

- Eight new bathrooms and wet rooms installed in Dean Court, Jubilee Trust, Dovedale Cottage and Abraham Dawes.
- Replacement of five boilers and hot water cylinders at in Dean Court, Bowmans Court, Vaughan Court, and Victoria Homes.
- LED lighting upgrade and electric works at Bowmans Court, Jubilee Trust, and Dovedale Cottages.
- Replacement of eleven new kitchens in the following schemes- Dean Court, Abraham Dawes, Woolwich Parochial, Tawny Close, Jubilee Trust, and Dovedale Cottages.
- Installation of a new video entry door and fire door replacement at Dovedale Cottages.

Commercial Property

Our commercial property consists of a parade of shops at 19 to 26 The Green, with 13 apartments above, all let on 125-year leases. It is a well-known local landmark, on a busy route into Ealing Broadway, and is in a conservation area.

It's been a recovery year from the Covid-19 pandemic for our Commercial Lets (where 100% of the businesses have been impacted by Covid-19 and many unable to open until July 2021) but also the businesses were impacted by the cost-of-living crisis and high interest rate. Trustees supported the Commercial tenants, based on individual assessments, and provided financial support for the Commercial lets between March 2020 and June 2021, to the total value of £53,650 however, a high arrears balances were accumulated due to the impact of the pandemic. During this financial year Pathways worked with commercial tenants to reduce the outstanding balances on their accounts, after the year-end a total amount of £125k was collected leaving the commercial tenants with no arrears on their accounts.

One of the shops was vacated due to the impact of the pandemic for 12 months, this has now been leased on a 10-year lease agreement on 4th May 2023.

Investments

The Charity's investment portfolios managed by Investec produced negative total returns after fees of (5.21)% and (2.20)% compared to the negative benchmarks returns of (2.85)% and (1.71)%. Similar losses were suffered on the Charity's holdings in M&G and CCLA managed funds.

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.

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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 2022-23	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.	4.02%	1.59%
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%
3. Gearing % Assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.	5.42%	(3.33)%
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	439%	772%
5. Social Housing Cost Per Unit The headline social housing cost per unit as defined by the Regulator	£5,864	£6,854
6. Operating Margin% Demonstrates the profitability of operating assets before exceptional expenses are taken into account. Increasing margins are one way to improve the financial efficiency of a business. A. Operating Margin (social housing lettings only) B. Operating Margin (overall) after adjusting for impairment and merger costs	10.29%	(4.32)% 10.52%
7. ROCE % Compares the operating surplus to total assets less current liabilities. An assessment of the efficient investment of capital resources.	1.20%	0.98%

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VALUE FOR MONEY (continued)

Social Housing Cost per Unit

	HfOP peer group 2022-23	Housing Pathways Trust
Cost per home		
Management costs		2,640
Service charge costs		1,132
Routine maintenance cost		2,320
Planned maintenance		-
Major repairs expenditure		762
Other social housing costs		-
Total	£5,864	£6,854

The Charity's VFM metrics around Gearing and EBITDA compare favourably to its peer group, a reflection of the relatively low level of borrowing. However, the metrics for Operating Margin and ROCE are not so favourable which reflects the Charity's non-housing activities including grant-giving. Cost pressures in respect of maintenance and services have caused an increase in cost per unit and a decline in social housing lettings operating margin.

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 2022- 23	Housing Pathways Trust
Current resident annual WMC collection rate	100.9%	101.3%
Current resident arrears as a % of the annual WMC	0.71%	2.3%
Rent loss through dwelling being vacant %	1.6%	1.9%
Average re-lets time (calendar days)	30 days	75 days
Re-lets as a percentage of stock %	13%	4.1%

Information Communication Technology (ICT)

We have upgraded our IT equipment and have modernised software to ensure our systems are fit for purpose. We updated our website to make it more user-friendly for our residents and stakeholders. 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 adopted the National Housing Federation 2020 Code of Governance in April 2021 and adheres to the Code, except where specified below.

The code includes a provision that trustees should serve no more than six years in total. Housing Pathways was the corporate trustee of Housing Pathways Trust and was compliant regarding Trustees' tenure and has appointed a number of new Trustees since 2020, based on needs identified through a skills audit. From 1st April 2022 Housing Pathways ceased to be corporate trustee and the individual trustees of Housing Pathways became the trustees of Housing Pathways Trust. 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.

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 continues to monitor the evolving landscape particularly considering high cost of living and high inflation and to ensure the stress testing of business plans with changing scenarios.

Governance and Financial Viability Standard

The Board of Trustees confirms compliance with the Standard.

Housing Pathways Trust

Annual Report of the Trustees

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FINANCIAL REVIEW

The Charity recorded a negative net movement in funds of £(391,931) (2022: £1,411,828). Net Income before investment movements amounted to £263,868 (2022: £410,103) whilst investment movements were negative with losses on investments of £248,299 and losses on investment properties of £376,500 compared to gains of £193,725 and £742,000 in the prior year.

Within the net movement in funds, the Charity made a deficit on Almshouse Accommodation of £143,115 (2022: surplus of £41,086). Non-social housing activities including allotments, commercial properties produced income of £527,425 (2022: £595,329) and income from fixed asset investments amounted to £127,276 (2022: £121,831). Grants payable and associated costs were £109,370 (2022: £75,549). 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 expenditure of £360,931 (2022: net income of £1,345,828). Actuarial movements on the Social Housing Pension Scheme amounted to losses of £31,000 compared to gains of £66,000 in 2022.

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 note 20. The Trustees continue to review the Charity's reserves.

Total Funds at 31st March 2023 of £21,711,090 (2022: £22,103,021) comprising Restricted Funds of £3,173,691 (2022: £3,265,877), Permanent Endowment Funds of £13,538,705 (2022: £14,104,254) and Unrestricted Funds of £4,998,694 (2022: £4,732,890) including Designated Funds of £2,341,262 (2022: £2,394,520) including a grant reserve of £269,073, and maintenance reserves totalling £2,072,189. The revised Scheme governing the Charity reclassified several the properties as part of the Permanent Endowment, rather than Unrestricted. These comparative amounts have been adjusted to reflect that reclassification.

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 £2,657,432 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 £2,428,983.

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 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 2023.

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FINANCIAL REVIEW (continued)

Risk Management

The major risks to which the Charity is exposed, as identified by the Trustees, are regularly reviewed. In addition, the Trustees have 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 risks include 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.

Fraud

The Board has a policy on fraud covering prevention, detection and reporting of fraud and the recovery of assets. The Chair and A&R Committee 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.

FUTURE PLANS

Our key priorities are to:

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

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

Housing Pathways Trust

Annual Report of the Trustees

For The Year Ended 31st March 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to charities in England and Wales and Registered Social Housing legislation requires the Trustees 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 Trustees 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 Trustees are 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 2022. The Trustees are 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 2023

AUDITORS

Knox Cropper LLP have expressed their willingness to continue in office and a resolution for their reappointment is deferred to the next Board meeting – November 2023.

The Board of Housing Pathways Trust 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 Trustees acknowledge their 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 Trustees' 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 unauthorised 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 Trustees 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 authorisation procedures, through relevant sub-committees comprising the Trustees and others.
- (e) the Trustees 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 Trustees have reviewed the effectiveness of the system of internal financial controls in existence in the charity for the year ended 31st March 2023 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 2023

CHAIRMAN'S REPORT

It is always a delight to reflect back on the previous year and look at some of the things we have achieved as Pathways.

Recently, I had the opportunity to visit some of our properties and meet with residents in their homes. Their feedback to me reflected what was said at the Residents conference this year by those who had attended who were expressing a greater level of contentment and satisfaction with the service provided by our staff and team.

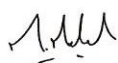
Having come out of the difficult season of the pandemic, we are now looking to invest in our housing stock in a greater way and this last year has been about preparing to do that, to ensure that we are on top of our maintenance and improvements.

The Grants committee have again given to many good causes, and we have taken the decision to invest in a greater way in this important aspect of our work so that we can reach those most in need and extend the Pathways family by doing so.

Obviously, staff is an important factor in providing continuity for our residents and for the work going forward. It has been a delight to see all our staff who have been on temporary contracts now on permanent contracts with us which places us as a Trust in a good position going forward.

I am, as ever, grateful to our strong and dedicated staff team and our skilled Board whose members offer their services to help make us a safe and secure Trust.

Approved by the Board of Directors at its meeting on 16/10/20232023 and signed on its behalf by:



Mark Melliush

Chair of Housing Pathways Trust

Housing Pathways Trust**Independent Auditor's Report to the Trustees of Housing Pathways Trust****For The Year Ended 31st March 2023****Opinion**

We have audited the financial statements of Housing Pathways Trust (the 'charity') for the year ended 31st March 2023 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 2023 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 2022.

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 trustees are 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 2023

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 Trustees' 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 trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 2022.
- 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 2023

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.

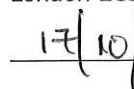
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, 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 trustees 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 trustees as a body, for our audit work, for this report or for the opinions we have formed.



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

 2023

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 2023

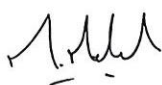
	Notes	2023				2022 Combined (Note 28)			
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Income from									
Donations and Grants		2,000	-	-	2,000	2,000	-	-	2,000
Charitable Activities	2	1,762,406	-	-	1,762,406	1,722,848	-	-	1,722,848
<i>Almshouse Accommodation</i>		12,724	-	-	12,724	25,960	-	-	25,960
<i>Allotments</i>	3	224,746	-	-	224,746	181,659	-	-	181,659
Other Trading Activities	4	409,141	8,090	-	417,231	427,224	7,317	-	434,541
Investments		-	-	-	-	-	-	75,000	75,000
Other		-	-	-	-	-	-	-	-
Expenditure on									
Raising Funds		2,411,017	8,090	-	2,419,107	2,359,691	7,317	75,000	2,442,008
Charitable Activities	5	109,934	1,921	5,635	117,490	243,611	1,915	6,380	251,906
<i>Almshouse Accommodation</i>	6	1,542,324	85,280	277,917	1,905,521	1,462,781	83,316	135,665	1,681,762
<i>Allotments</i>		21,378	-	1,480	22,858	20,999	-	1,689	22,688
<i>Grant making</i>		108,841	-	529	109,370	75,071	-	478	75,549
		1,782,477	87,201	285,561	2,155,239	1,802,462	85,231	144,212	2,031,905
Gains/(losses) on investments	15	(192,916)	(13,075)	(42,308)	(248,299)	160,254	6,469	27,002	193,725
Gains/(losses) on investment properties	11	-	-	(376,500)	(376,500)	-	-	742,000	742,000
Net income/(expenditure)		435,624	(92,186)	(704,369)	(360,931)	717,483	(71,445)	699,790	1,345,828
Actuarial gains/(losses)	23	(31,000)	-	-	(31,000)	66,000	-	-	66,000
Transfers between funds	20	(4,866,671)	-	4,866,671	-	(47,906)	-	47,906	-
Net movement in funds		(4,462,047)	(92,186)	4,162,302	(391,931)	735,577	(71,445)	747,696	1,411,828
Funds brought forward 1st April 2022		9,460,741	3,265,877	9,376,403	22,103,021	8,725,164	3,337,322	8,628,707	20,691,193
Funds carried forward 31st March 2023		4,998,694	3,173,691	13,538,705	21,711,090	9,460,741	3,265,877	9,376,403	22,103,021

Housing Pathways Trust**Balance Sheet****As At 31st March 2023**

	Notes	2023		2022 Combined	
		£	£	£	£
Fixed Assets					
Housing Properties	10		11,623,708		11,793,355
Investment Properties	11		4,413,500		4,790,000
Other Fixed Assets	12		1,385,988		1,382,724
Social Investments	14		-		-
Investments	15		4,373,678		4,570,440
			<u>21,796,874</u>		<u>22,536,519</u>
Current Assets					
Trade and Other Debtors	16	280,487		173,722	
Cash and Cash Equivalents		<u>1,892,232</u>		<u>1,578,018</u>	
		2,172,719		1,751,740	
Creditors: Amounts falling due within one year	17	<u>(670,804)</u>		<u>(535,316)</u>	
Net Current Assets			1,501,915		1,216,424
Total Assets less Current Liabilities			<u>23,298,789</u>		<u>23,752,943</u>
Creditors: Amounts falling due after more than one year	18		(1,433,699)		(1,492,922)
Provisions for liabilities	23		<u>(154,000)</u>		<u>(157,000)</u>
Net Assets			<u>£21,711,090</u>		<u>£22,103,021</u>
Funds					
Permanent Endowment	20		13,538,705		9,376,403
Restricted Funds	20		3,173,691		3,265,877
Unrestricted Funds	20		4,998,694		9,460,741
Total Funds			<u>£21,711,090</u>		<u>£22,103,021</u>

16/10/2023

The financial statements were approved by the Trustees on2023 and signed on its behalf by:



Trustee

Mark Melliush (Chair)



Trustee

Joshua Reddaway

Housing Pathways Trust
Statement Of Cash Flows
For The Year Ended 31st March 2023

	Notes	2023 £	2022 Combined £
Net Cash generated from Operating Activities	A	618,157	792,348
Cash Flows from Investing Activities			
Capitalised works to existing housing properties		(184,426)	(234,671)
Purchase of other fixed assets		(31,235)	(540)
Repayments of Social Investments		436	1,743
Proceeds from sale of investments		1,944,029	725,349
Additions to investments		(2,121,167)	(708,104)
Investment management fees		(19,330)	(22,012)
Investment income and bank interest received		115,739	116,141
Net Cash generated from/(used in) Investing Activities		<u>(295,954)</u>	<u>(122,094)</u>
Cash Flows from Financing Activities			
Interest paid		(67,533)	(38,358)
Repayment of Loans		(75,064)	(84,922)
Net Cash (used in)/generated from Financing Activities		<u>(142,597)</u>	<u>(123,280)</u>
Net Change in Cash and Cash Equivalents		179,606	546,974
Cash and Cash Equivalents at the beginning of the year		1,734,877	1,187,903
Cash and Cash Equivalents at the end of the year		<u>£1,914,483</u>	<u>£1,734,877</u>
A Cash Flows from Operating Activities			
Net Income/(Expenditure) for the year		(360,931)	1,345,828
Depreciation		368,460	380,210
Income from Investments		(127,276)	(121,831)
Interest Payable		71,533	43,358
Investment management fees		19,330	22,012
Decrease/(Increase) in Debtors		(104,235)	154,251
Increase/(Decrease) in Creditors		151,329	(99,099)
(Decrease)/Increase in Pension Provision		(38,000)	(34,000)
Disposal of fixed assets		13,584	39,087
Reversal of impairment of Social Investments		(436)	(1,743)
(Gains)/Losses on Investments		248,299	(193,725)
Revaluation of investment property		376,500	(742,000)
		<u>618,157</u>	<u>£792,348</u>
B Cash and Cash Equivalents			
Bank Balances		1,892,232	1,578,018
Investment Managers Cash		22,251	156,859
		<u>1,914,483</u>	<u>£1,734,877</u>

Housing Pathways Trust
Statement Of Cash Flows
For The Year Ended 31st March 2023

Reconciliation of Net Debt

	At 01.04.22 £	Cash Flows £	At 31.03.23 £
Cash and Cash equivalents	1,734,877	179,606	1,914,483
Loans falling due within one year	(138,644)	15,841	(122,803)
Loans falling due after more than one year	(1,441,046)	59,223	(1,381,823)
Total	<u>155,187</u>	<u>254,670</u>	<u>£409,857</u>

Housing Pathways Trust
Notes To the Financial Statements
For The Year Ended 31st March 2023

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 2022. 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 using the performance model and recognised when receivable, or in the period in which a scheme is completed where the amount of the grant has been determined. Social Housing Grants are treated as restricted funds and reflected in the Fixed Asset Fund.

Housing Pathways Trust
Notes To the Financial Statements
For The Year Ended 31st March 2023

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

Investment 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 deemed 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 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 2023

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.

Social investments, comprising a concessionary loan, are measured at cost less impairment.

(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 Trustees 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 Trustees 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.

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2023

1. Accounting Policies (continued)

(m) Fund Accounting (continued)

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

(n) Taxation

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

(o) Pension Costs

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

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

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 23 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 Trustees assess 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.

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2023

1. Accounting Policies (continued)

(p) Significant Management Judgements and Estimation Uncertainties (continued)

Useful lives of depreciable assets

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

Bad debt provision

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

Defined Benefit Pension Scheme

As stated in Note 23, 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 23.

Housing Pathways Trust**Notes To the Financial Statements****For The Year Ended 31st March 2023****2. Income from Charitable Activities**

	2023	2022
	£	£
<i>Almshouse Accommodation</i>		
Maintenance contributions	1,536,856	1,497,602
Services contributions	225,550	225,246
	<u>1,762,406</u>	<u>1,722,848</u>
<i>Allotments</i>		
Allotment rents	12,724	25,960
	<u>£1,775,130</u>	<u>£1,748,808</u>

3. Income from Other Trading Activities

Management Fees	5,598	-
Private Lets	207,994	181,659
Office rent receivable	11,154	-
	<u>£224,746</u>	<u>£181,659</u>

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	245,904	240,350
Ground rent receivable	3,950	3,950
Service charges receivable	40,101	68,410
	<u>289,955</u>	<u>312,710</u>
Investment Income & Bank Interest	127,276	121,831
	<u>£417,231</u>	<u>£434,541</u>

5. Expenditure on Raising Funds

	2023	2022
	£	£
Investment management fees	19,330	22,012
Support costs – managing KGV	12,597	-
<i>Investment property costs</i>		
Management & support costs	73,051	69,849
Maintenance	31,935	39,600
Insurance	20,813	18,218
Section 20 works	-	36,214
Professional fees	11,463	15,883
Bad debts	(51,699)	50,130
	<u>£117,490</u>	<u>£251,906</u>

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2023

6. Expenditure on Charitable Activities

	2023	2022
	£	£
<i>Almshouse Accommodation</i>		
Management & support costs	662,108	586,493
Services	273,953	191,983
Maintenance	561,447	488,376
Depreciation	340,489	360,426
Disposals	13,584	29,170
Bad debts	10,110	409
Interest payable	43,830	24,905
	<u>1,905,521</u>	<u>1,681,762</u>
<i>Allotments</i>		
Management	9,935	8,100
Depreciation	1,194	1,194
Maintenance	-	1,738
Support costs	11,729	11,656
	<u>22,858</u>	<u>22,688</u>
<i>Grant-making</i>		
Grants awarded to institutions	88,086	55,969
Grants officer costs	-	10,082
Reversal of impairment of concessionary loan	(436)	(1,743)
Support costs	21,720	11,241
	<u>109,370</u>	<u>75,549</u>
	<u><u>£2,037,749</u></u>	<u><u>£1,779,999</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

	2023	2022
	£	£
Staff costs	433,119	416,075
Administration	163,003	177,649
Depreciation of office property	17,633	17,633
Depreciation of office equipment	8,273	-
Professional fees	21,802	5,936
Bank charges and sundries	1,558	5,564
Loan interest	23,703	13,453
Pension costs and interest	7,000	11,697
Irrecoverable VAT	37,387	13,640
Governance costs	10,514	17,592
	<u><u>£723,992</u></u>	<u><u>£679,239</u></u>

Included within Governance Costs is auditor's remuneration for the audit of the financial statements amounting to £10,700 excluding VAT (2022: £9,480, £7,900 excluding VAT).

Housing Pathways Trust
Notes To the Financial Statements
For The Year Ended 31st March 2023

8. Staff Costs

All employees are jointly employed by Housing Pathways Trust and associated Pathways charities, 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:

	2023	2022
	£	£
Wages and salaries	244,629	344,567
Social security costs	21,640	31,293
Pension costs	15,667	19,142
Redundancy	9,167	16,386
Agency staff & interim contractors	143,711	14,769
	<u>£434,814</u>	<u>£426,157</u>

The average weekly numbers of full-time equivalent employees during the year were 5 (2022: 10) and the average number of employees was 7 (2022: 10). There were no employees who received employee benefits in excess of £60,000 (2022: nil).

The remuneration payable to key management personnel for their services to the Charity amounted to £166,791 (2022: £78,499). No trustee received any remuneration for their role as a trustee or any other role with the Charity.

9. Social Housing Lettings

Maintenance contributions	1,536,856	1,497,602
Service charges receivable	225,550	225,246
Turnover from Social Housing Letting	<u>1,762,406</u>	<u>1,722,848</u>
Management	638,962	570,560
Services	273,953	191,983
Routine and Cyclical Maintenance	561,447	488,376
Property Depreciation	340,489	360,426
Bad debts	10,110	409
Operating costs of Social Housing Lettings	<u>(1,824,961)</u>	<u>(1,611,754)</u>
Gain/(Loss) on replacement of components	(13,584)	(29,170)
Operating surplus/(deficit) on Social Housing Lettings	<u>£(76,139)</u>	<u>£81,924</u>
Net Surplus/(Deficit) on social housing lettings	<u>£(143,115)</u>	<u>£41,086</u>
Void Losses	<u>£34,678</u>	<u>£5,539</u>

Housing Pathways Trust**Notes To the Financial Statements****For The Year Ended 31st March 2023****10. Fixed Assets Housing Properties**

	2023 Total £	2022 Combined Total £
Cost		
As at 1st April 2022	15,377,898	15,214,962
Works to existing properties	184,426	234,671
Disposals	(42,930)	(71,735)
As at 31st March 2023	<u>15,519,394</u>	<u>15,377,898</u>
Depreciation		
As at 1st April 2022	3,584,543	3,257,241
Charge for the year	340,489	359,950
Disposals	(29,346)	(32,648)
As at 31st March 2023	<u>3,895,686</u>	<u>3,584,543</u>
Net Book Value at 31st March 2023	<u><u>£11,623,708</u></u>	<u><u>£11,793,355</u></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 £	Vaughan Court £	Total £
Fair Value			
As at 1st April 2022	4,790,000	-	4,790,000
Additions	-	-	-
Movement in fair value	(390,000)	13,500	(376,500)
As at 31st March 2023	<u><u>£4,400,000</u></u>	<u><u>£13,500</u></u>	<u><u>£4,413,500</u></u>

The Investment properties were valued by S Hanton FRICS for Willmotts as at 31st August 2023.

Housing Pathways Trust**Notes To the Financial Statements****For The Year Ended 31st March 2023****12. Other Fixed Assets**

	Allotments	Fixtures, Fittings & Equipment	Office	Total
	£	£	£	£
Cost				
As at 1st April 2022	798,881	17,747	679,846	1,496,474
Additions	-	31,235	-	31,235
Disposals	-	-	-	-
As at 31st March 2023	<u>798,881</u>	<u>48,982</u>	<u>679,846</u>	<u>1,527,709</u>
Depreciation				
As at 1st April 2022	11,174	14,404	88,172	113,750
On disposals	-	-	-	-
Charge for the year	<u>1,194</u>	<u>9,144</u>	<u>17,633</u>	<u>27,971</u>
As at 31st March 2023	<u>12,368</u>	<u>23,548</u>	<u>105,805</u>	<u>141,721</u>
Net Book Value				
At 31st March 2023	<u>£786,513</u>	<u>£25,434</u>	<u>£574,041</u>	<u>£1,385,988</u>
At 31st March 2022	<u>£787,707</u>	<u>£3,343</u>	<u>£591,674</u>	<u>£1,382,724</u>

All 2022 figures in this note represent combined figures.

13. Capital Grants

	2023	2022 Combined
	£	£
Aggregate amount received		
At 1st April 2022 and 31st March 2023	<u>£5,835,488</u>	<u>£5,835,488</u>
Released to Statement of Financial Activities		
At 1st April 2022 and 31st March 2023	<u>£5,835,488</u>	<u>£5,835,488</u>
Social Housing Grant Carrying Value	<u>£ -</u>	<u>£ -</u>

Housing Pathways Trust**Notes To the Financial Statements****For The Year Ended 31st March 2023****14. Social Investments**

	2023	2022
	£	£
Concessionary loans		
At 1st April 2022	-	-
Repayments in the year	(436)	(1,743)
Reversal of impairment	436	1,743
At 31st March 2023	<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 2023 is £47,645 (2022: £48,081).

15. Fixed Asset Investments

	2023			2022
	Unrestricted	Grassroots	Total	Combined
	£	£	£	£
Fair Value				
At 1st April 2022	4,128,402	285,179	4,413,581	4,225,333
Additions	2,044,732	85,442	2,130,174	719,872
Disposals	(1,978,360)	(89,569)	(2,067,929)	(735,309)
Unrealised gains/(losses)	(116,273)	(8,126)	(124,399)	203,685
At 31st March 2023	<u>4,078,501</u>	<u>272,926</u>	<u>4,351,427</u>	<u>4,413,581</u>
Cash Deposits	18,860	3,391	22,251	156,859
	<u>£4,097,361</u>	<u>£276,317</u>	<u>£4,373,678</u>	<u>£4,570,440</u>
Fixed Interest	200,321	20,130	220,451	166,496
Equities and Unit Trust	3,394,304	221,720	3,616,024	3,832,606
Property and Alternatives	383,876	31,076	414,952	414,479
Cash and Money Market	118,860	3,391	122,251	156,859
	<u>£4,097,361</u>	<u>£276,317</u>	<u>£4,373,678</u>	<u>£4,570,440</u>

Included within Fixed Asset Investments is £4,351,427 (2022: £4,413,581) measured at fair value through net income/(expenditure).

Investments with a carrying value of £2,067,929 were sold for net proceeds of £1,944,029, realising losses of £123,900 (2022: carrying value of £735,309 sold for net proceeds of £725,349, realising losses of £9,960).

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2023

16.	Debtors	2023	2022 Combined
		£	£
	Residents' Contributions	64,334	38,968
	Provision for Doubtful Debts	(10,110)	-
		<u>54,224</u>	<u>38,968</u>
	Private Let and Investment Property Debtors	196,018	117,720
	Connected parties:		
	Educational Foundation of Francis Courtney	3,000	-
	King George V Memorial Houses	4,665	-
	Prepayments and accrued income	22,580	17,034
		<u>£280,487</u>	<u>£173,722</u>
17.	Creditors: Amounts falling due within one year		
			£
	Trade Creditors	166,418	75,205
	VAT and Social Security	23,114	12,536
	Connected parties:		
	Housing Pathways	73,867	9,412
	King George V Memorial Houses	-	-
	Loans (Note 19)	122,803	138,644
	Grants payable	8,550	26,306
	Deferred income	71,385	68,046
	Accrued expenses & Other Creditors	204,667	205,167
		<u>£670,804</u>	<u>£535,316</u>
	Deferred income at 1 April	68,046	68,038
	Income recognised in the year	(68,046)	(68,038)
	Amounts deferred this year	71,385	68,046
	Deferred income at 31 March	<u>£71,385</u>	<u>£68,046</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		
	Tenant deposits	51,876	51,876
	Loans (Note 19)	1,381,823	1,441,046
		<u>£1,433,699</u>	<u>£1,492,922</u>

Housing Pathways Trust**Notes To the Financial Statements****For The Year Ended 31st March 2023**

19. Loans	2023	2022 Combined
	£	£
Repayable in less than one year (Note 17)	122,803	138,644
Repayable in more than one year (Note 18)	1,381,823	1,441,046
Total Loans	<u>£1,504,626</u>	<u>£1,579,690</u>

The Charity has four loans outstanding:

- Two loans with CAF Bank secured by a first legal charge on properties with a carrying value of £2,144,645 the properties at 1-57 Dean Court, Ealing. The loans are repayable in monthly instalments over remaining terms to 2039 and 2041, at an interest rate of 2.25% over base rate.
- A further loan with CAF Bank secured by a first legal charge on the properties with a carrying value of £125,029. The loan is repayable in monthly instalments over a remaining term to 2042, at an interest rate of 3.5% over base.
- A with the Co-operative Bank secured by a fixed charge on properties with a carrying value of £1,218,377. The interest repayable on the loan is a variable rate of 1.125% above base rate. Whilst there is an instalment repayment schedule in place the loan is contractually repayable to the lender on demand and as such is classified as a creditor falling due within one year.

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2023

20. Funds	Balance at 1 April 2022 £	Income £	Expenditure £	Gains/(losses) on investments £	Other gains /(losses) £	Transfers £	Balance at 31 March 2023 £
Current Year							
Unrestricted Funds							
General Funds	7,066,221	2,372,376	(1,775,366)	(108,128)	(31,000)	(4,866,671)	2,657,432
<i>Designated Funds</i>							
Grants Reserve	269,073	-	-	-	-	-	269,073
Cyclical Repairs and Maintenance Reserve	466,515	5,139	(946)	(11,277)	-	-	459,431
Extraordinary Repairs Reserve	1,658,932	33,502	(6,165)	(73,511)	-	-	1,612,758
	9,460,741	2,411,017	(1,782,477)	(192,916)	(31,000)	(4,866,671)	4,998,694
Restricted Funds							
Fixed Asset Fund	2,907,388	-	(85,280)	-	-	-	2,822,108
Grassroots Fund	358,489	8,090	(1,921)	(13,075)	-	-	351,583
	3,265,877	8,090	(87,201)	(13,075)	-	-	3,173,691
Endowment Funds							
Permanent Endowment	9,376,403	-	(285,561)	(418,808)	-	4,866,671	13,538,705
	£22,103,021	£2,419,107	£(2,155,239)	£(624,799)	£(31,000)	£ -	£21,711,090

Prior Year - Combined	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/(losses) on investments £	Other gains /(losses) £	Transfers £	Balance at 31 March 2022 £
Unrestricted Funds							
General Funds	6,411,981	2,323,144	(1,794,175)	107,177	66,000	(47,906)	7,066,221
<i>Designated Funds</i>							
Grants Reserve	269,073	-	-	-	-	-	269,073
Cyclical Repairs and Maintenance Reserve	455,697	4,861	(1,102)	7,059	-	-	466,515
Extraordinary Repairs Reserve	1,588,413	31,686	(7,185)	46,018	-	-	1,658,932
	8,725,164	2,359,691	(1,802,462)	160,254	66,000	(47,906)	9,460,741
Restricted Funds							
Fixed Asset Fund	2,990,704	-	(83,316)	-	-	-	2,907,388
Grassroots Fund	346,618	7,317	(1,915)	6,469	-	-	358,489
	3,337,322	7,317	(85,231)	6,469	-	-	3,265,877
Endowment Funds							
Permanent Endowment	8,628,707	75,000	(144,212)	769,002	-	47,906	9,376,403
	£20,691,193	£2,442,008	£(2,031,905)	£935,725	£66,000	£ -	£22,103,021

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2023

20. 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's activities were classified into four branches and the Scheme specifically refers to the assets which represented each branch's permanent endowment and expendable endowment. The revised Scheme dated 1st April 2022 consolidated the purposes of branches 1 and 2.

21. Net Assets and Funds by Branch

	Branch 1 £	Branch 2 £	Branch 3 £	Restricted £	Total £
Properties	11,623,708	-	-	-	11,623,708
Investment					
Properties	4,413,500		-	-	4,413,500
Other Fixed Assets	1,385,988	-	-	-	1,385,988
Investments	3,462,934	629,882	4,544	276,318	4,373,678
Net Current					
Assets/ (Liabilities)	1,500,817	(74,565)	398	75,265	1,501,915
Creditors Due					
Outside One Year	(1,433,699)	-	-	-	(1,433,699)
Provisions for					
Liabilities	(154,000)	-	-	-	(154,000)
	<u>£20,799,248</u>	<u>£555,317</u>	<u>£4,942</u>	<u>£351,583</u>	<u>£21,711,090</u>
Permanent					
Endowment	13,069,606	466,309	2,790	-	13,538,705
Restricted Funds	2,822,108	-	-	351,583	3,173,691
Designated Funds	2,341,262	-	-	-	2,341,262
Unrestricted Funds	2,566,272	89,008	2,152	-	2,657,432
	<u>£20,799,248</u>	<u>£555,317</u>	<u>£4,942</u>	<u>£351,583</u>	<u>£21,711,090</u>

Housing Pathways Trust**Notes To the Financial Statements****For The Year Ended 31st March 2023****22. Net Assets by Funds**

	Permanent Endowment	Restricted Funds	Unrestricted Funds	2023 Total
	£	£	£	£
Housing Properties	8,598,585	2,822,108	203,015	11,623,708
Investment Properties	4,413,500	-	-	4,413,500
Other Fixed Assets	1,360,554	-	25,434	1,385,988
Investments	670,692	276,318	3,426,668	4,373,678
Net Current Assets/(Liabilities)	(122,803)	75,265	1,549,453	1,501,915
Creditors Due Outside One Year	(1,381,823)	-	(51,876)	(1,433,699)
Provisions for Liabilities	-	-	(154,000)	(154,000)
	<u>£13,538,705</u>	<u>£3,173,691</u>	<u>£4,998,694</u>	<u>£21,711,090</u>

	Permanent Endowment	Restricted Funds	Unrestricted Funds	2022 Total
	£	£	£	£
Housing Properties	3,701,487	2,907,388	5,184,480	11,793,355
Investment Properties	4,790,000	-	-	4,790,000
Other Fixed Assets	1,379,381	-	3,343	1,382,724
Investments	716,549	291,322	3,562,569	4,570,440
Net Current Assets/(Liabilities)	63,031	67,167	1,086,226	1,216,424
Creditors Due Outside One Year	(1,274,045)	-	(218,877)	(1,492,922)
Provisions for Liabilities	-	-	(157,000)	(157,000)
	<u>£9,376,403</u>	<u>£3,265,877</u>	<u>£9,460,741</u>	<u>£22,103,021</u>

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2023

23. 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)

	2023 £	2022 £
Fair value of plan assets	662,000	1,039,000
Present value of defined benefit obligation	(816,000)	(1,196,000)
Surplus/(deficit) in plan	<u>£(154,000)</u>	<u>£(157,000)</u>

Reconciliation of opening and closing balances of the Defined Benefit Obligation

	2023 £	2022 £
Defined benefit obligation at start of period	1,196,000	1,352,000
Current service cost	3,000	10,000
Expenses	3,000	3,000
Interest expense	33,000	29,000
Contributions by plan participants	2,000	4,000
Actuarial losses/(gains) due to scheme experience	(27,000)	(17,000)
Actuarial losses/(gains) due to changes in demographic assumptions	(2,000)	(19,000)
Actuarial losses/(gains) due to changes in financial assumptions	(362,000)	(105,000)
Benefits paid and expenses	(30,000)	(61,000)
Defined benefit obligation at end of period	<u>£816,000</u>	<u>£1,196,000</u>

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

	2023 £	2022 £
Fair value of plan assets at start of period	1,039,000	1,100,000
Interest income	29,000	24,000
Experience on plan assets	(422,000)	(75,000)
Contributions by the employer	44,000	47,000
Contributions by plan participants	2,000	4,000
Benefits paid and expenses	(30,000)	(61,000)
Fair value of plan assets at end of period	<u>£662,000</u>	<u>£1,039,000</u>

The actual return of the plan assets (including any changes in share of assets) over the period ended 31 March 2023 was £(393,000).

Housing Pathways Trust**Notes To the Financial Statements****For The Year Ended 31st March 2023****23. Pension Obligations (continued)****Defined Benefit costs recognised in Net Income/(Expenditure)**

	2023 £	2022 £
Current service cost	3,000	10,000
Less: amount allocated to other group charities	-	(3,303)
Expenses	3,000	3,000
Net interest expense	4,000	5,000
	<u>£10,000</u>	<u>£14,697</u>

Defined Benefit costs recognised in Other Gains and Losses

	2023 £	2022 £
Experience on plan assets	(422,000)	(75,000)
Experience gains and losses arising on the plan liabilities	27,000	17,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	2,000	19,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	362,000	105,000
Actuarial (loss)/gain recognised in other recognised gains/(losses)	<u>£(31,000)</u>	<u>£66,000</u>

Housing Pathways Trust**Notes To the Financial Statements****For The Year Ended 31st March 2023****23. Pension Obligations (continued)**

Assets	2023 (£000s)	2022 (£000s)
Global Equity	12	199
Absolute Return	7	42
Distressed Opportunities	20	37
Credit Relative Value	25	34
Alternative Risk Premia	1	34
Emerging Markets Debt	4	30
Risk Sharing	49	34
Insurance-Linked Securities	17	24
Property	29	28
Infrastructure	76	74
Private Debt	29	27
Opportunistic Illiquid Credit	28	35
High Yield	2	9
Opportunistic Credit	-	4
Corporate Bond Fund	-	69
Long Lease Property	20	27
Secured Income	30	39
Liability Driven Investment	305	290
Currency Hedging	1	(4)
Net Current Assets	7	7
Total Assets	£662	£1,039

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	2023 % per annum	2022 % per annum
Discount Rate	4.86	2.79
Inflation (RPI)	3.19	3.54
Inflation (CPI)	2.77	3.17
Salary Growth	3.77	4.17
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31st March 2023 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2023	21.0
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2023

24. Capital Commitments

At 31st March 2022 there were no commitments in relation to the refurbishment of the charity's properties or otherwise.

25. Contingent Liabilities

There were no contingent liabilities at 31st March 2023 or 31st March 2022, other than that of the potential employer debt on the Pension Scheme (Note 23).

26. Housing Stock

The number of units of housing owned by the Charity at 31st March 2023 and 31st March 2022 were:

	Units Under Ownership	
	2023	2022
Social Housing Accommodation		
Sheltered Housing	234	124
General needs	8	8
Units let at market rents	13	6
	<u>255</u>	<u>138</u>

Units owned and managed increased in the year as a result of the merger with Pathways Jubilee Charity and Almshouse and Eleemosynary Charity which brought 110 sheltered housing and 7 market rent units into the Charity's ownership.

27. Related Parties

Housing Pathways was until 1st April 2022 the Corporate Trustee of Housing Pathways Trust and since this date has common trustees. Housing Pathways acts as the paymaster for employees jointly employed by the Pathways charities.

In the year ended 31st March 2023 the Charity was allocated staff costs of £95,509 (2022: £254,336). Until 30 June 2022, Housing Pathways provided administrative services to the Charity and charged £29,070 (2022: £93,303) to the Charity.

At 31st March 2023 the Charity owed £72,855 (2022: £8,822) to Housing Pathways.

The Charity has common trustees with King George V Memorial Houses and provides a management service to that charity. In the year ended 31st March 2023 charged £5,598 was charged. At the year end £4,665 was owed by King George V Memorial Houses to the Charity.

The Charity made a payment on behalf of Educational Foundation of Francis Courtney, with which it has common trustees. At the year end £3,000 was owed to the Charity by Educational Foundation of Francis Courtney.

One trustee was reimbursed travel expenses amounting to £316 during the year.

Housing Pathways Trust

Notes To the Financial Statements

For The Year Ended 31st March 2023

28. Merger with Pathways Jubilee Charity and Almshouse and Eleemosynary Charity

By order of a Scheme issued by the Charity Commission, on 1st April 2022 the Pathways Jubilee Charity (registration number 247553) and Almshouse and Eleemosynary Charity (registration number 1113829) were merged into Housing Pathways Trust. The net assets of the Charity increased by £6,054,276 on completion of the merger. This Scheme also merged Branch 2 of the Charity into Branch 1. In accordance with Section 27 of the Charities SORP, this has been accounted for using merger accounting, rather than as an acquisition. Therefore, the financial statements have been prepared as though the charities had always been one charity. The comparative amounts in the financial statements therefore represent 'Combined' amounts.

Analysis of principal SoFA components for the current reporting period

	HPT pre- merger £	Pathways Jubilee	Almshouse & Eleemosynary £	HPT post- merger £	Combined Total £
Total Income	-	-	-	2,419,107	2,419,107
Total Expenditure	-	-	-	(2,155,239)	(2,155,239)
Investment gains	-	-	-	(624,799)	(624,799)
Net Income	-	-	-	(360,931)	(360,931)
Actuarial losses	-	-	-	(31,000)	(31,000)
Net Movement in Funds	£ -	£ -	£ -	£(391,931)	£(391,931)

Analysis of principal SoFA components for the previous reporting period

	Housing Pathways Trust £	Pathways Jubilee	Almshouse & Eleemosynary £	Combined Total £
Total Income	1,560,440	837,486	44,082	2,442,008
Total Expenditure	(1,204,516)	(798,817)	(28,572)	(2,031,905)
Gains on Investments	880,052	48,714	6,959	935,725
Net Income and Actuarial gains	1,235,976	87,383	22,469	1,345,828
Net Movement in Funds	66,000	-	-	66,000
Total funds brought forward	1,301,976	87,383	22,469	1,411,828
Total funds carried forward	14,746,769	5,773,078	171,346	20,691,193
	£16,048,745	£5,860,461	£193,815	£22,103,021

Analysis of net assets of the date of merger

	Housing Pathways Trust £	Pathways Jubilee	Almshouse & Eleemosynary £	Combined Total £
Net Assets	16,048,745	5,860,461	193,815	22,103,021
Represented by:				
Unrestricted funds	4,785,344	4,481,582	193,815	9,460,741
Endowment funds	9,376,403	-	-	9,376,403
Restricted funds	1,886,998	1,378,879	-	3,265,877
Total funds	£16,048,745	£5,860,461	£193,815	£22,103,021