

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Company Registration number 00173199 Charity Registration number 211235 Homes and Communities Agency number LH0526

Enham Trust

(A company limited by guarantee)

Annual Report and Group Financial Statements

For the year ended 31 March 2021



Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Officers and Professional Advisors

TRUSTEES

B Merrett	(appointed 30 November 2020) Chairman from 1 January 2021
K Aziz	(Chairman until resignation on 31 December 2020)
M Black	
D Fowler-Stevens	
S Hosselmann	(appointed 26 May 2020)
S Lindsay	
N Palmer	
J Parr	
M Samuel-Camps	
S Vernon	(resigned 28 June 2021)
E Wallace	

COMPANY SECRETARY

S Williams

SENIOR LEADERSHIP TEAM

H Gunn	Chief Executive
S Bradbury	Director of Operations
C Dixon	Director of Care
S Kent	Director of Finance (Resigned 31 October 2021)
S Williams	Commercial Director
W Wright	Director of Finance (Joined 7 September 2021)

**Enharn Trust Annual Report and Group Financial Statements
for the year ended 31 March 2021**

Officers and professional advisors

REGISTERED OFFICE

Enharn Place
Enharn Alamein
Andover
Hampshire
SP11 6JS

BANKERS

National Westminster Bank Plc
9 Bridge Street
Andover
SP10 1BD

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Savannah House
3 Ocean Way
Southampton
SO14 3TJ

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Chairman's Welcome from Ben Merrett

100 years ago Enham Trust, then known as Enham Village Centre, was first incorporated. 100 years on, the charity continues to support disabled people in three key pillars of life: housing, care and employment. It is a real privilege to join this amazing organisation as Chairman in its centenary year. On behalf of all the Trustees, I would like to express the Board's appreciation to Khaid Aziz who, after 9 years as Chairman retired at the end of December 2020. Khaid's valuable contribution as Chairman will be long remembered. The charity world is heavily dependent on fundraising and Khaid successfully opened many doors in support of the Trust's fundraising efforts during his tenure.

Nationally, charity governance has been under the spotlight in recent years. Against this national backdrop, Enham Trust has undertaken a programme of work over recent years to both develop the Board and to ensure that the Trust's governance arrangements reflected best practice. During the last year we commissioned independent, external assurance to review the actions the Trust has taken. As I start my term of office, I am reassured to find sound governance embedded into the charity alongside a skilled Trustee Board and Leadership Team well placed to grasp the opportunities and challenges that lie ahead.

The last year has been a challenging one as we all continue to adapt to the ever-evolving challenges that the pandemic presents. I am immensely proud of our teams who have excelled throughout. Thank you to all at Team Enham for your passion, dedication and hard work. You make a real difference to the lives of the people we support.

Through the pandemic we have continued to safely care for both the disabled residents living in our care homes and to those whom we support in their own homes. Our care teams have been amazing, showing dedication and fortitude in these unprecedented times for the care sector. At the start of the pandemic, our Skills 2 Achieve and Information, Advice and Guidance services all re-engineered themselves to ensure that we could continue to support the thousands of people dependent upon those services. As the lockdowns and restrictions have evolved, the teams have continued to embrace the need to adapt at pace. Our social enterprises and charity shop have, unfortunately, had to close for periods, with many in the teams effected having been furloughed. The teams have shown remarkable resilience in the face of the uncertainty this brings. Now reopen, the enterprises are firmly focused on providing employment to disabled people and services for our local community.

Last year, Khaid provided an update in the Chairman's Welcome on the consultation we had undertaken around our plans to evolve our care services. Work on implementing these plans has continued during the past year and we continue to engage with care home residents, their families, our people and commissioners to refine the model. As part of this transition, we have launched "Enham Living".

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Chairman's Welcome from Ben Merrett (continued)

Enharn Living is based on the nationally recognised model of care, Supported Living, and is a model of care and support specifically tailored to Enharn Trust and the individual people we support.

It is designed to ensure that people are fully supported to live, work and enjoy life and that their voice is at the centre of the support we deliver. It is intended to ensure our residents have the best care, support and development in place for their assessed needs

The changes we are making to our care services are the final piece of the turnaround plan we started to implement back in 2017. Whilst the COVID pandemic had a significant impact upon the financial results for the year, Enharn Trust has appreciated the on-going support of its lenders and been pleased to be able to redeem two of its loans since the year end. This along with an additional facility provided by our main and now sole lender, should provide a firm financial foundation for the future as Enharn completes its care transition and is able to achieve adequate surpluses to manage risk and sustain future growth and investment. Ahead of us lie a range of opportunities for development and growth which we can now start to look at how we utilise to the benefit of our beneficiaries.

As I get into my stride in my first year as Chairman, I would like to express my personal appreciation to my fellow Trustees who generously volunteer their time and expertise to oversee and support the running of the Trust. Enharn really benefits from the generosity of volunteers who donate their time to support the work of the Trust – thank you to you all. And thank you to our many donors; individuals, corporations and foundations; whose charitable giving supports our work

The Government's report, "Coronavirus and the social impacts on disabled people in Great Britain: February 2021" demonstrates that disabled people have been disproportionately negatively impacted by the pandemic. It makes for sobering reading. As we look forward to a world that continues to adapt to the uncertainties created by the pandemic, the Trust will be focusing on how we can grow to reach and support more disabled people to live, work and enjoy life. The role we continue to play supporting disabled people is as relevant today as it was when we incorporated 100 years ago.

B Merrett

Ben Merrett (Mar 30, 2022 12:48 GMT+1)

Ben Merrett

Chairman of the Board of Trustees

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Strategic Report

1 MANAGEMENT

OBJECTS SET OUT IN GOVERNING DOCUMENT

The objects of Enham Trust as set out in its Articles of Association are to assist people with disabilities and to promote opportunities by providing access to accommodation, care, employment, training and other services and facilities and to provide housing accommodation and assistance to people in necessitous circumstances.

AIMS

Enham Trust aims to achieve its objectives by working in the United Kingdom both as a charity and as a Registered Provider of Social Housing, providing care, accommodation, employment services and support to disabled children, young people and adults to support them to live, work and enjoy life.

ACTIVITIES

Enham Trust currently works in Southern England providing care at home, housing, employment and skills services, information, advice and guidance services and employment to disabled people in its social enterprises. In the year it also provided registered residential care. Enham Trust is currently managing the planned transition and de-registration of this service and will be providing a supported living model of services in the future called Enham Living.

OBJECTIVES IN CORPORATE PLAN

In the year Enham Trust considered the impact of COVID 19 upon its strategy and concluded that whilst there were changes in the external operating environment and impacts upon expected timescales for implementation the six key goals within its corporate plan remained relevant. They are:

- Create a world where disabled people can achieve what they want from their lives
- Deliver care and support to allow disabled people to be more independent
- Provide accessible and affordable housing for disabled people

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Strategic Report (continued)

1 MANAGEMENT (continued)

Make Enham Alamein a vibrant village where people want to live and work

Improve our reputation so people want to donate, volunteer and work for us

Build a strong organisation that strives to improve and be the best it can be for many years to come.

STRATEGIES FOR ACHIEVING OBJECTIVES

Enhām Trust's strategy is to deliver services that meet the needs of disabled people and enable them to live, work and enjoy life by focusing on three key areas housing, care and employment. Each of these three elements has the power to have a significant impact on the lives of disabled people, a power which can be amplified when the three strands are brought together, enabling individuals to become as socially and economically independent as they can.

To support these objectives Enhām Trust is committed to the delivery of high quality services. This commitment is underpinned by governance arrangements, key performance indicators, appropriate policies and procedures, case recording, data collating software and internal audit. There are also thorough reviews of regulatory inspection reports, to ensure that all appropriate learning and action points are gathered.

As a charity, Enhām Trust's longer-term aim is to be financially robust and ensure that the organisation and its activities are sustainable, by making appropriate surpluses. This approach will enable Enhām Trust to continue to offer a wide range of opportunities to people with disabilities, manage its risks and invest appropriately in its existing properties based on sound asset management principles. In order to achieve this, Enhām Trust undertook a strategic review of its model of care during the previous year, considering a range of options and consulted upon proposed changes. In May 2020 the Trustee Board decided that Enhām Trust's future model of care would be based on supported living. Whilst the COVID 19 pandemic has meant that the transition to the new model of care will take longer than originally planned, the board is satisfied that it remains the correct strategic approach and plans for the transition to be completed before March 2022.

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Strategic Report (continued)

2 OPERATING ENVIRONMENT

As well as the strategic changes to its care model Enham Trust will continue to keep its cost base under review, seek to improve systems and processes in order to achieve efficiencies, look to expand and diversify its customer bases and continue to implement a programme of asset disposals.

PRINCIPAL FUNDING SOURCES

The services Enham Trust provides are in the main statutory funded services. Care services are commissioned by Local Authorities and NHS Continuing Health Care, along with elements of individual contribution and privately funded packages. Information advice and guidance and employment services are primarily funded through a variety of statutory sources but in some cases fees in respect of services are paid by beneficiaries. Employment and Support services are predominantly funded through government and government agencies. Enham Trust's social enterprises have commercial contracts in place to deliver services in accordance with contract specifications. Enham Trust's housing income is received directly from tenants and housing benefit. During the year additional government grants were received in respect of the financial impact of COVID 19 on Enham Trust.

OPERATING ENVIRONMENT

With the onset of a global pandemic the short-term operating environment fundamentally changed. As the impact of COVID 19 became clear the Trust worked to ensure that essential services would continue to be able to be delivered, whilst aiming to minimise the risks for staff and beneficiaries. Enham Trust's services fell into three broad groupings. It was recognised that services such as residential care and care at home which are essential to the recipients would continue to be delivered face to face, so for these services the focus was on contingency planning and risk management. For other services such as Information Advice and Guidance, employment and skills and housing there was the option to move to a predominantly remote working model and so for these services the focus was on adapting the delivery model whilst managing risk. Finally, there were some services, mostly social enterprises, which were either non-essential or where it was initially unclear how to safely manage the risks and where the appropriate response was, for periods, the suspension of the activities.

Enharm Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Strategic Report (continued)

2 OPERATING ENVIRONMENT (continued)

Enharm Trust was able to access a range of governmental financial support such as COVID grants in respect of care and education services and grants for periods when the charity shop as a non-essential retail service was required to close. Enharm Trust is grateful to the contribution these grants made to mitigating the financial impact of COVID. The continued delivery of the majority of Enharm Trust's activities ensured the continuation of income, albeit in some instances with higher operating costs to mitigate COVID risks. However, there were significant financial impacts in the year in the retail environment, both directly with the charity shop required to close for periods and indirectly in 3PL. Enharm Trust accessed the government's job retention scheme to retain employees not required to work during the year and this financial support as well as preserving jobs helped to mitigate the financial impact of the significant fall in turnover experienced.

RISK MANAGEMENT

Enharm Trust has an approach to risk management designed so that there is an on-going process for identifying, evaluating and managing the significant risks faced by Enharm Trust. Service managers undertake regular risk reviews and these contribute to the Corporate Risk Register. Risks are assessed for their likelihood and potential impact and the Board focuses its work on those risks which are identified as most significant. For all significant identified risks, the potential to mitigate risk is considered and where proportionate, action is taken. A wide variety of strategies are used to mitigate risk through appropriate policies and procedures, spreading risk through ensuring sufficient diversity of activity and commissioning partners, seeking to lay off risk through contract negotiation or insurance. In evaluating new projects the Board assesses risk and will not proceed with projects where in its opinion the risks are disproportionate to the benefits offered to service users or Enharm Trust.

Enharm Trust's approach to risk management also ensured that disaster recovery scenarios had been considered and contingency plans prepared. These plans were adapted for the management of Enharm Trust's response to COVID 19. The risk management strategy saw Enharm Trust manage its response to COVID 19 with a core response team of senior staff. Regular minuted team meetings ensured that the external situation could be kept under review, that government guidance was identified and implemented and that emerging situations could be managed with appropriate resources. Logs of all key decisions and actions were maintained, working groups to resolve specific challenges were set up as necessary and resources redeployed as appropriate. Additional training given as necessary. Regular communication and

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Strategic Report (continued)

2 OPERATING ENVIRONMENT (continued)

guidance was provided to all managers at Enham Trust which has been kept updated on a timely basis. Regular communication has also been maintained with all employees and other stakeholders. The primary objectives of this work have been to manage risks including the financial impact, ensure continuity of services as far practicable and to keep beneficiaries, staff and other members of the public to whom Enham Trust owes a duty of care safe.

Enham Trust considers that the major risks it faces are:

Failure to meet governance and viability standard: Enham Trust considers that the completion of a planned programme of work demonstrates that the organisation meets the requirements of the Standard but awaits the Regulators judgement upon the matter.

Failure to achieve a successful transition of registered residential care services to Enham living services on a timely basis: As a final and key element of the financial turnaround of Enham Trust a successful de-registration of existing services and implementation of new services is important both in terms of finances and service quality. Project management is being provided through dedicated resources, consultation with existing service users has been undertaken throughout and regular discussions have been held with commissioners of the services.

Staff fail to adhere to policies and procedures: Enham Trust's policies and procedures have been designed to ensure that service users are safe, that their data is secure and that staff provide services in a professional manner that protects their own, service users and members of the public's health and safety. The risk of staff failing to follow these procedures appropriately is that there are poor outcomes which could place service users, members of the public or staff at risk, be that due to COVID 19 or other risk factors. Enham Trust seeks to mitigate these risks through ensuring appropriate skills and PPE are available, accessible publication of policies and procedures, having COVID 19 secure plans and through the induction and training of staff.

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Strategic Report (continued)

2 OPERATING ENVIRONMENT (continued)

EMPLOYEE ENGAGEMENT

Enham Trust recognises that employee engagement is essential for individuals to fulfil their potential and believes that an engaged workforce is more committed, innovative and productive, all of which have a positive impact on individual, team and organisational performance. Enham Trust strives to create an environment driven by communication whereby personal and team accomplishments are recognised, ensuring that employees feel valued.

Enham Trust provides opportunities for employees to influence the organisational strategy and changes through participation in project groups. Other methods include celebrating individual and team success, providing all employees an opportunity to feed into strategy through joint management meetings and Open Space, a forum where employees have opportunities to ask questions of, and hear directly from, senior management.

Regular employee one to ones and appraisals are designed to enable discussion of Enham Trust's strategic priorities, capture employees' views about them and recognise the employees' role in their delivery. Enham Trust also recognises that employees have an important role to play in the management of risk and all employees are encouraged to share concerns be that with management, at health and safety meetings, by contributing to the design of COVID safe working practices, incident and safeguarding reporting, or if ultimately necessary through whistleblowing.

Enham Trust externally verifies its methods of communication and engagement to ensure their effectiveness. It continues to retain its Investors in People accreditation.

3 ORGANISATIONAL PERFORMANCE

DETAILS OF SIGNIFICANT ACTIVITIES

The significant areas of activity for Enham Trust can be broken down into the following broad categories, which are the same as those used in Note 2 of the following financial statements:

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Strategic Report (continued)

3 ORGANISATIONAL PERFORMANCE (continued)

Social Housing Activities - Enham Trust is a Registered Provider (not for profit). As a social landlord that specialises in providing affordable living accommodation for disabled and disadvantaged people, ranging from fully wheelchair accessible accommodation, to general needs and private market rented homes.

Other Social Housing activities, Care and Transition- Enham Trust has three buildings registered with the Care Quality Commission as a single service that provide residential care services for up to 56 people. Care at Home services deliver support to people with a range of needs in their own homes.

Information, Advice and Guidance services - These provide support to more than 6,000 people who have a Direct Payment, Personal Health Budget or wish to use the Enham Trust payroll bureau service. This support can range from initial advice around eligibility, to support to recruit and employ care staff and to be a good employer.

Employment and Skills - These services provide support to those furthest from the labour market to gain either skills or sustainable, paid employment.

Social enterprises - These provide opportunities for paid employment for disabled people. 3PL is a storage and packing service and there is also a gardening service.

Fundraising - Raises voluntary income to support the work of Enham Trust from individuals, companies, trusts and grant making bodies.

ACHIEVEMENTS AND PERFORMANCE

Organisationally there were two major focuses during the year. The first was the organisational response to the evolving situation with COVID and its impacts upon the safety of beneficiaries and staff, operational delivery of services and financial performance of Enham Trust. The second focus was planning for the transition of residential care services to a supported living model. There continued to be service level achievements against the backdrop of the difficult operating environment.

Enharn Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Strategic Report (continued)

3 ORGANISATIONAL PERFORMANCE (continued)

Enharn Trust ensured that key maintenance services, including health and safety checks were available to tenants throughout lockdowns. Regular contact was maintained with all residents identified as potentially vulnerable to support their well-being. Once it was practicable to undertake new lettings these were made. As in prior years Enharn Trust's portfolio of homes built over many years continues to make a strong contribution to the financial performance of the Trust.

Seeking to minimise the risk of COVID 19 for residents and staff of the care homes was the main priority of the year for this service. The care team adapted to frequently changing guidance as the situation evolved. Infection control measures meant that residents' scope for engagement beyond the homes was limited and the team worked to best support all residents through this challenging and uncertain period, including by facilitating visits. Work was also undertaken to implement improvements identified following the last CQC inspection of May 2020 which reported the service as Requires Improvement. The established Care at Home services which are CQC rated Good continued to work successfully with their clients throughout the pandemic.

Skills to Achieve continued to work with learners both remotely and at a number of centres in the South East providing structured learning, staff and resources that enabled individuals to gain new skills and qualifications. With regular personalised support learners remained engaged and new learners took advantage of the opportunities the programme offered. During the year employment services continued to support individuals furthest from the job market on their pathways to employment through a range of initiatives including the government's new Kick Start programme. The team ensured that there was a strong focus on wellbeing of individuals to help them adjust to the impact of the pandemic upon themselves as well as ensuring that those who were furloughed received support during the period of furlough.

Information, advice and guidance services have supported disabled individuals with Direct Payments and Personal Health Budgets across a wide geographical area. Although the transition of a remote working model of service delivery was necessitated by COVID, it is recognised that it can offer a useful contribution to longer term future working in these services.

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Strategic Report (continued)

3 ORGANISATIONAL PERFORMANCE (continued)

The charity shop as non-essential retail was required to close during lockdowns and continued to be well supported by the community when it was able to be open. 3PL encountered a significant reduction in demand for services during the year from business customers who operate in the retail sector. This meant that many staff spent periods on furlough and flexible furlough.

FINANCIAL REVIEW

There was a significant drop in revenue during the year from £9,928k to £7,931k, directly attributable to the financial impact of COVID on social enterprises. Cost containment, the generous support of donors and the availability of government grants and schemes meant that financial impact was contained at a £105k operating deficit. The first lockdown slowed a number of property sales planned for the year. However, these sales, which form part of the wider organisational strategy of specific limited property sales, were completed and resulted in a significant profit on disposal of fixed assets. This meant that overall Enham Trust was able to achieve a surplus before taxation of £1,326k for the year.

An actuarial assessment of the pension liability is made annually at the 31 March. Once again there were significant market movements during the year which had a marked impact on the estimation of the liabilities in respect of Enham Trust's participation in the multi-employer Social Housing Pension Scheme, consequently there has been a significant unrealised actuarial loss of £1,247k reported for the year in the Statement of Comprehensive Income. The Trustee board is mindful that the actuarial estimation of the pension liability can move significantly between years and may well do so again.

BASIS OF PREPARATION

Enham Trust has given careful consideration to its financial position as at the year end and the rationale for preparing the financial statements on a going concern basis are set out in the section on basis of preparation see notes 1.2, and 1.5. Enham Trust accounts for its property assets on the basis of historical cost and whilst the Trust recognises that many of these assets cannot be readily realised they still provide an underlying strength to the organisation.

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Strategic Report (continued)

3 ORGANISATIONAL PERFORMANCE (continued)

Enham Trust has a significant portfolio of homes and land which provide a strong fixed asset base for the organisation. It has entered into secured long-term loans to finance the development of new homes for disabled people. In prior years breaches of loan covenants had meant that its three lenders had the right to require the immediate repayment of their loans. Subsequent to the year end, Enham Trust has agreed a new facility with its main lender with revised covenants and redeemed the loans from the other two lenders. Consequently, Enham Trust is no longer reliant upon the forbearance of its lenders to remain a going concern.

The Board of Trustees have given due consideration to the financial position of Enham Trust as reported in these financial statements as well as budgets, management information, forecast cashflows and projected ability to achieve loan covenant compliance. Having given consideration to these matters, the Board of Trustees has concluded that it is appropriate to prepare the financial statements on a going concern basis.

FUTURE PROSPECTS

The Trustees are very mindful of the uncertainties that have been introduced from the economic impact of COVID 19. However, many of Enham Trust's activities have continued uninterrupted during the pandemic and can be reasonably foreseen to continue to do so. Whilst the changed external economic environment in which the social enterprises will operate may require an adapted approach, Enham Trust's recent history of being able to embrace change to its operations should leave it well placed to meet these challenges. Ultimately Enham Trust's objective of enabling the Trust to deliver a reasonable level of operating surplus to manage risk and support future investment remains unchanged.

VALUE FOR MONEY

The Regulator for Social Housing issued its revised Value for Money Standard and Code of Practice in April 2018, which sets out the principles which all social housing providers should apply to achieve value for money, as well as detailing specific reporting requirements.

Enharm Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Strategic Report (continued)

3 ORGANISATIONAL PERFORMANCE (continued)

The work that has been and continues to be undertaken, to improve the longer-term financial viability of Enharm Trust, has focused on the financial viability of activities and contracts, cost savings and opportunities for organisational growth. This strategy has significant alignment with the Regulator's Value for Money agenda and is reflected in Enharm Trust's own approach to value for money.

Most registered providers of social housing would ordinarily expect to deliver incremental improvement in organisational performance, managed by key performance indicators benchmarked within the sector. However, the financial challenges faced by Enharm Trust, and its comparatively unusual diversity of activities, mean that many of its metrics are unusual within the sector which makes comparator benchmarking more difficult. In addition, it continues to be the case that Enharm Trust's current approach to addressing its financial challenges centres more on addressing the underpinning strategic issues and less on benchmarking as a driver for change.

The seven metrics specified by the Regulator of Social Housing have been calculated and are set out below. A summary of the method of calculation has been included for each metric but the actual calculations have been undertaken in accordance with detailed guidance set out by the Regulator in their technical notes.

Enharm Trust notes that the regulator has identified that whilst the metrics will work for the majority of social housing providers that there can be unusual factors within a particular organisation that affect the metrics. The Board recognises that there remains work to do to ensure that Enharm Trust is able to consistently generate operating surpluses, not least the implementation of the new model of care delivery. Therefore, the Board recognises that the operating results reported are unusual within the sector and this is reflected in the metrics for operating margin and return on capital employed. In addition, whilst the Board remains of the view that the decision to pause the development of new properties, whilst addressing the financial challenges Enharm Trust faces, was correct, it recognises that this has inevitably had an impact on the metrics for reinvestment and new supply.

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Strategic Report (continued)

3 ORGANISATIONAL PERFORMANCE (continued)

Reinvestment; 0.2% (2020; 0.5%)

A calculation of the percentage investment in new and existing properties as a percentage of the total value of housing properties held.

Given the financial challenges faced by Enham Trust no new housing was developed in the year so all reinvestment has been in capital works on exiting housing and care properties. Consequently, the reinvestment rate will be lower than for those social housing providers which have developed new properties in the year.

New Supply delivered - social housing units; 0% (2020; 0%), non-social housing units; 0% (2020; 0%)

Respectively, calculations of social housing units developed or acquired divided by social housing units owned and non-social housing units developed or acquired divided by non-social housing units owned.

The financial challenges have been such that the Board determined that it was appropriate to pause the development of new properties, for which planning permission had been secured, until such time as Enham Trust is able to once again generate operating surpluses. Consequently, no new developments were undertaken or acquired in year.

Gearing; 11% (2020; 22%)

This has been measured in accordance with the Regulator's guidance, as the level of debt as a percentage of housing and care properties at cost.

It should be noted that Enham Trust's properties are reported at historic cost and that properties have been developed by the trust since 1919. Enham Trust is of the view that this could give a comparatively low denominator to this metric when assessing this against others within the sector. The decrease in gearing in the year is due to increased cash holdings at the year end held partly to redeem loan debt after the year end.

Enhnm Trust Annual Report and Group Financial Statements for the year ended 31 March 2020

Strategic Report (continued)

3 ORGANISATIONAL PERFORMANCE (continued)

Earnings before interest, tax, depreciation, amortisation, major repairs included interest cover, 194% (2020: (114)%)

The one-off costs associated with the closure of Mount have had a significant impact on this metric for the prior year. If the metric was recalculated for the prior year excluding the discontinued operation at Mount it gives an interest cover of 404% for the year.

Headline Social Housing cost per unit; £ 18,257 (2020: £17,922) including registered care homes

The regulatory definition requires the inclusion of operating expenditure on other social housing activities, which for Enhnm Trust includes the provision of registered care home services for individuals with disabilities, whilst the housing units for which the cost is measured also include the rooms within the care homes.

With 56 rooms within Enhnm Trust's three registered care homes, these form a significant part (20%) of the Trust's social housing properties. The specialist nature of the registered care homes means that the individuals with disabilities who live in the homes have high care needs and this in turn is reflected in the costs of the provision of these services. To assist interpretation of this cost per unit Enhnm Trust has calculated that the figure, excluding the care home costs and bed spaces, would give a headline cost per social housing unit of £4,013 (2020: £4,027) for the Trust's other units including housing with support or care.

Operating margin social housing lettings; 23% (2020:28%) and Operating margin overall; (3)% (2020:(7)%)

- These are respectively calculated as the operating surplus from social housing lettings divided by turnover and the organisational operating deficit divided by total turnover. Social housing lettings are not considered to include income from care home fees as a total fee is charged for the package for each resident which is inclusive of the occupancy of room, utilities, food, care and some activities.

Return on capital employed; 13% (2020: (11)%)

This is calculated as overall operating surplus divided by total assets less current liabilities. The 2020 metric was significantly impacted by the costs associated with the discontinuance of activities at Mount in the year.

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Report of the Trustees

1 STRUCTURE, GOVERNANCE AND MANAGEMENT

RESERVES

The reserves of Enham Trust have been built up over a number of years. The majority of reserves are represented by fixed assets, such as properties and buildings which are used for service delivery and are not easily realisable.

Restricted reserves: As a registered charity, donations which are made for a specific purpose, can only be used for the purposes identified at the time the gift was made and are required to be identified as restricted reserves until expended in accordance with the donors' intentions. While being restricted, they are included in the total reserves figure but are not available for Enham Trust to use for any other purpose than that intended by the donor.

Revaluation reserves: Where Enham Trust includes assets at valuation any increases in value, as compared to historic costs, which have not been realised are shown in the revaluation reserve.

Revenue reserves: those reserves of Enham Trust which are realised and are available for Enham Trust to use for any purpose.

GOVERNING DOCUMENT

Enham Trust is a company limited by guarantee and is governed by its Articles of Association. It is a Registered Charity and also a Registered Provider of Social Housing, registered with Homes England and regulated by the Regulator of Social Housing.

RECRUITMENT AND APPOINTMENT OF TRUSTEES

The charity's Trustees, who are the legal directors of the company, are collectively termed the Board or Trustee Board and are elected by the members of the company. They serve for a three-year term, after which they are eligible for re-election. Trustees can currently serve for a maximum of three such terms. The Board elects the Chairman, the Vice-Chairman and the Treasurer. Trustees during the year and up to the date of approval of the Annual Report and the Group Financial Statements are set out on page 1.

Enham Trust Annual Report and Group Financial Statements

For the year ended 31 March 2021

Report of the Trustees (continued)

1 STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

New Trustees are recruited via a range of routes. Particular emphasis is placed at the time of recruiting on appointing individuals who can fill identified skill gaps within the Trustee body, whilst endeavouring to ensure that the Board as a whole is representative of the communities and individuals it serves. Enham Trust has a Directors and Officers liability insurance policy which provides cover to the Directors and officers of Enham Trust in their role.

Enham Trust has adopted the National Housing Federation's code of governance "Promoting Board Excellence for Housing Associations" published in 2015. The Board has a programme of work to ensure that it complies with the Code including an annual review of compliance: based upon this work the Board considers that it fully complies with the 2015 Code.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board holds meetings at least six times a year in formal session. The Board is responsible for the strategic direction and policy of the organisation. It approves the business plan and related budgets and monitors performance against plan and budget. The Board of Enham Trust has overall responsibility for managing the risks which it faces. Matters not reserved for decision by the Board are delegated to either one of the two committees which report to the Board or to the Chief Executive and Senior Leadership Team.

The committees and working group which report to the Board are as follows:

- The Audit and Risk Committee which reviews matters related to the external audit, considers risk, reviews insurance arrangements and the outcomes of internal audit work.
- The Care Quality Assurance Committee which oversees the delivery of care throughout Enham Trust to ensure that it is safe, effective and person centred.
- Governance Working Group which oversees the design and delivery of action plans to improve Enham Trust's governance arrangements.

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Report of the Trustees (continued)

1 STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

During the year ended 31 March 2017, Enham Trust identified that it did not fully meet the requirements of the then Homes and Communities Agency's (now Regulator of Social Housing's) Governance and Viability standard. In accordance with its co-regulatory duty, it advised the regulator about its position and identified the actions necessary to meet the requirements of the Governance and Viability standard. In October 2017 the HCA issued a regulatory notice, which remains in place. The notice concluded that the regulator is of the view that Enham Trust is not compliant with the Governance and Viability Standard and that the board had responded positively and proactively in its approach to resolving the presenting issues and has demonstrated that it is prepared to work with the regulator to address the challenges that the Trust is facing. The regulator stated that they will continue to monitor Enham Trust closely until it is fully assured that Enham Trust is compliant with the regulatory standards. Enham Trust has worked with the Regulator to evidence its progress towards compliance with the requirements of the Governance and Viability standard. It now considers that it complies with these requirements but awaits the Regulator's review and judgement upon this matter.

SERVICE USER PARTICIPATION

Enham Trust is committed to the engagement of its tenants to ensure that they have a clear voice in both the strategic direction and performance of the Trust. In recent years much of Enham Trust's tenant engagement has been undertaken face to face, due to COVID 19 the approach had of necessity to change.

During the year the focus of the housing team's work was on maintaining essential services for all tenants and ensuring that there was regular contact with all vulnerable and potentially vulnerable residents. Regular calls first and foremost checked on wellbeing of residents but the housing team were also able offer support as well as welcoming feedback on Enham Trust's services. With the relaxation of restrictions and a progressive return to normality Enham Trust is already returning to face-to-face tenant engagement activities, such as neighbourhood walks. A new app offer the opportunity for those interested to comment upon policies under consideration and the team looks forwards to once again being able to gain feedback at village meetings.

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Report of the Trustees (continued)

1 STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

SUBSIDIARIES AND ASSOCIATE

During the year Enham Trust (the parent) had three active subsidiaries, Cedar Services Limited, Enham (Trading) Limited and The Papworth and Enham Foundation. These three companies, together with an associate, STEPS to Employment Limited, form the Enham Trust group. The Boards of Cedar Services Limited and Enham (Trading) Limited included Trustees and employees of Enham Trust. The governing body of the Papworth and Enham Foundation included employees and a Trustee of Enham Trust plus others.

2 PUBLIC BENEFIT

Enham Trust has a long history of working with people with disabilities to help them achieve their full potential. In undertaking both new and existing activities, the Trustees are at all times mindful of the objectives of Enham Trust to support disabled people to live, work and enjoy life.

Whilst the work of Enham Trust supports people over a variety of areas, and a broad geographic spread, the common characteristic of all this work is that it is for those who are potentially vulnerable, is centred on their needs and is of genuine public benefit.

Where individuals benefit from the work of Enham Trust there is a clear link between them and the aims of the organisation. Given the size of Enham Trust, services are necessarily subject to some geographic restrictions, but otherwise access is based on individually assessed need.

The work undertaken by Enham Trust is solely for the benefit of the individuals it supports and as such it is not considered that there are any private benefits provided by the organisation. Enham Trust has concluded that there is no significant detrimental impact from its work. The Trustee Board considers that it has complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance.

Enhnam Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Report of the Trustees (continued)

3 VOLUNTARY DONATIONS

Ordinarily Enhnam Trust raises funds to provide vital opportunities for disabled people to be independent, to learn and to improve their physical and mental health and wellbeing. Our projects reliant on donations provide services above and beyond what challenging statutory budgets can fund and importantly improve the quality of life of disabled people. Donations are received through trusts and foundations, individuals, local businesses, events, legacies, volunteers and a charity shop.

The COVID pandemic directly impacted upon Enhnam Trust's operational income, fortunately many trusts, foundations and individuals were quick to identify and respond to the financial impact of COVID. Their generosity ensured that Enhnam Trust was able to continue to support all of its beneficiaries through this unprecedented period.

Work on the conversion of an existing property into a sports and wellbeing hall, which was funded through donations and grants, commenced in the year and was completed in April 2021. This specialist resource provides a wheel chair accessible space where residents, beneficiaries and the wider community can engage in a range of sporting activities.

Enhnam Trust would like to acknowledge its sincere gratitude and thanks to all supporters and volunteers. Their generosity has directly contributed to improving the happiness and independence of Enhnam Trust's beneficiaries.

4 ENHAM TRUST'S APPROACH TO FUNDRAISING

Enhnam Trust conducts its fundraising activity through a small fundraising team which it directly employs. It operates in line with the Code of Fundraising Practice from the Fundraising Regulator, and follows guidance issued by the Institute of Fundraising. Enhnam Trust has received no complaints relating to fundraising activity during the year ending 31 March 2021.

Enhnam Trust takes individual privacy very seriously. In line with GDPR, all supporters continue to be given the option to opt-in to receive marketing materials and campaigns. Two fundraising updates are sent each year to supporters, who can opt out of receiving communication at any time.

Enham Trust Annual Report and Group Financial Statements

For the year ended 31 March 2021

Report of the Trustees (continued)

4. ENHAM TRUST'S APPROACH TO FUNDRAISING (continued)

As part of Enham Trust's commitment to safeguarding vulnerable individuals, fundraising activity is undertaken in line with comprehensive internal policies and procedures and staff receive specific training, updated regularly in line with best practice guidelines and to reflect regulatory and legislative changes.

5. COMMITMENT TO EQUALITY, DIVERSITY AND INCLUSION

Enham Trust's culture and values are underpinned by The Equality Act, and it recognises that whilst the emphasis of the charity is on disability, it is also clear that one characteristic does not define a person. Enham Trust recognises that many individuals and communities experience unlawful and unfair discrimination and oppression, on the grounds of their disability, caring responsibilities, gender (including transgender and transsexual people), relationship or marital status, race, ethnicity or caste, sexual orientation (because they are lesbian, gay, bisexual or heterosexual), age, HIV status, language, background, faith or religious belief, physical appearance and political opinions. It believes that equality for all is a basic human right and actively opposes all forms of unlawful and unfair discrimination. It celebrates diversity and strives to promote and reflect that diversity within Enham Trust.

As a Disability Confident Leader, Enham Trust is at the forefront of disability rights in the UK. By achieving the highest status under the Department for Work and Pensions Scheme, Enham Trust is recognised as an organisation that removes barriers for disabled people and prioritises assisting them to find work.

Enham Trust is committed to promoting equal opportunities in the access to and provision of services and in all its employment practices. Building a more inclusive workplace is essential for customers and employees and the Dignity at Work policy applies to all employees. Enham Trust is transparent in sharing its Equality, Diversity and Inclusion Report which is available on its website.

Enham Trust Annual Report and Group Financial Statements

For the year ended 31 March 2021

Report of the Trustees (continued)

6 BOARD MEMBERS' RESPONSIBILITIES

The board members are responsible for preparing the Annual Report and Group Financial Statements in accordance with applicable law and regulation.

Company law and registered social housing legislation require the board members to prepare financial statements for each financial year. Under that law the board members have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland", and applicable law). Under company law and registered social housing legislation the board members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the surplus or deficit of the group and company for that period. In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The board members are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered providers of Social Housing 2019.

Enhnam Trust Annual Report and Group Financial Statements For the year ended 31 March 2021

Report of the Trustees (continued)

6 BOARD MEMBERS' RESPONSIBILITIES (continued)

Board members' confirmations

In the case of each board member, who are also the directors of the company, in office at the date the Report of the Trustees is approved:

- so far as the board member is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a board member in order to make themselves aware of any relevant audit information and to establish the group and company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

PricewaterhouseCoopers LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed.

The Strategic Report and Report of the Trustees were approved by the Board of Trustees on 30 March 2022.


B Merrett (Mar 30, 2022 12:48 GMT+1)

Ben Merrett
Director


S R Lindsay (Mar 30, 2022 12:52 GMT+1)

Stuart Lindsay
Director

Independent auditors' report to the members of Enham Trust

Report on the audit of the financial statements

Opinion

In our opinion, Enham Trust's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2021 and of the group's and company's surplus, and of the group's and company's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law);
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

We have audited the financial statements, included within the Annual Report and Group Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 31 March 2021; the Consolidated Statement of Comprehensive Income, the Company Statement of Comprehensive Income, the Consolidated Statement of Changes in Reserves, the Company Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the Company Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group and the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 group's and of the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Report of the Trustees, we have also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Report of the Trustees

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Trustees and the Strategic Report for the year ending 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and the company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and the Report of the Trustees. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Board Members Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 directors are responsible for assessing the group's and the company'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 directors either intend to liquidate the group and the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the regulations imposed by being a Registered Social Landlord and employment law and regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to overstatement of the operating surplus through inappropriate revenue recognition or understatement of expenditure. Audit procedures performed included:

- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions made by management in relation to areas of judgement and significant accounting estimates;
- Testing journal entries meeting set risk criteria, in particular any journal entries posted with unexpected account combinations resulting in a credit entry to revenue or expenditure;
- Detailed substantive testing of revenue, including one-off donations and legacies, with reference to third party supporting documentation in light of revenue recognition criteria of FRS 102 and testing of profits on the disposal of fixed assets;
- Incorporating elements of unpredictability into the audit procedures performed;
- Review of legal costs incurred during the year to understand if these are indicative of any wider non-compliance or fraud matters; and
- Agreed the financial statement disclosures to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006, Section 128 of the Housing and Regeneration Act 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 ("CAo6") and the Housing and Regeneration Act 2008 ("HRAo8") we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; (CAo6, HRAo8) or
- adequate accounting records have not been kept by the company; (CAo6) or
- certain disclosures of directors' remuneration specified by law are not made; (CAo6) or
- the company financial statements are not in agreement with the accounting records and returns; (CAo6) or
- proper accounting records of assets and liabilities in relation to housing activities have not been kept by the company; (HRAo8) or
- the company has not maintained a satisfactory system of control of those records, its cash holdings and its receipts and remittances in relation to those activities. (HRAo8)

We have no exceptions to report arising from this responsibility.



Sasha Lewis (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
31 March 2022

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2021

		Continuing Operations 2021	Discontinued Operations 2021	Total 2021	Continuing Operations 2020	Discontinued Operations 2020	Total 2020
	Note	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Revenue	2	7,840	91	7,931	9,320	608	9,928
Other income	2,4	802	-	802	341	-	341
Operating expenditure	2	(8,696)	(184)	(8,880)	(9,451)	(1,457)	(10,908)
Impairment of fixed assets	2	-	42	42	-	(42)	(42)
OPERATING (DEFICIT)/SURPLUS		(54)	(51)	(105)	210	(891)	(681)
Gain/(Loss) on disposal of fixed assets	6	1,489	33	1,532	(6)	-	(6)
Interest receivable	5	12	-	12	21	-	21
Interest payable and financing costs	5	(113)	-	(113)	(173)	-	(173)
Net loss on investments	11	-	-	-	(1)	-	(1)
SURPLUS/(DEFICIT) BEFORE TAXATION		1,344	(18)	1,326	51	(891)	(840)
SURPLUS/(DEFICIT) FOR THE YEAR	6	1,344	(18)	1,326	51	(891)	(840)
OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR							
Actuarial (loss)/gain in respect of pension scheme	24.1	(1,247)	-	(1,247)	1,578	-	1,578
OTHER COMPREHENSIVE (EXPENSE)/ INCOME FOR THE YEAR		(1,247)	-	(1,247)	1,578	-	1,578
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		97	(18)	79	1,629	(891)	738
TOTAL COMPREHENSIVE INCOME/(EXPENSE) ATTRIBUTABLE TO Owners of the parent		30	(18)	12	1,629	(891)	738
Equity minority interests	67	-	-	67	-	-	-

The financial statements on pages 29 to 67 were approved and authorised for issue by the Board on 30 March 2022 and were signed on their behalf by:

B Merrett

B Merrett (Mar 30, 2022 12:48 GMT+1)

Benjamin Merrett

Director

S R Lindsay

S R Lindsay (Mar 30, 2022 12:52 GMT+1)

Stuart Lindsey

Director

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Company Statement of Comprehensive Income

For the year ended 31 March 2021

	Continuing Operations 2021 (£'000)	Discontinued Operations 2021 (£'000)	Total 2021 (£'000)	Continuing Operations 2020 (£'000)	Discontinued Operations 2020 (£'000)	Total 2020 (£'000)
Revenue	2	7,840	91	7,931	9,320	608
Other income	24	662	*	662	343	*
Operating expenditure	2	(8,696)	(184)	(8,880)	(9,451)	(1,457)
Impairment of fixed assets	2	*	42	42	*	(42)
OPERATING (DEFICIT)/SURPLUS		(194)	(51)	(245)	212	(891)
Gain/(loss) on disposal of fixed assets	6	1,499	33	1,532	(6)	*
Interest receivable	5	12	*	12	21	*
Interest payable and financing costs	5	(113)	*	(113)	(173)	*
Net loss on investments	11	*	*	*	(1)	*
SURPLUS/(DEFICIT) BEFORE TAXATION		1,204	(18)	1,186	53	(891)
SURPLUS/(DEFICIT) FOR THE YEAR	6	1,204	(18)	1,186	53	(891)
OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR						
Actuarial (loss)/gain in respect of pension scheme	24.1	(1,247)	*	(1,247)	1,578	*
OTHER COMPREHENSIVE (EXPENSE)/ INCOME FOR THE YEAR		(1,247)	*	(1,247)	1,578	*
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR		(43)	(18)	(61)	1,631	(891)

The financial statements on pages 24 to 67 were approved and authorised for issue by the Board on 1st October 2021 and 30 March 2022 .
and were signed on their behalf by:

B Merritt

B Merritt (Mar 30, 2022 12:48 GMT+1)

Benjamin Merritt

Director

S R Lindsey

S R Lindsey (Mar 30, 2022 12:52 GMT+1)

Stuart Lindsey

Director

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Consolidated and Company Statements of Financial Position

As at 31 March 2021

	Group 2021 (£'000)	Group 2020 (£'000)	Company 2021 (£'000)	Company 2020 (£'000)
FIXED ASSETS				
Tangible fixed assets	10	10,432	11,176	10,432
Investments	11	378	379	373
TOTAL FIXED ASSETS		10,810	11,555	10,805
			10,805	11,549
CURRENT ASSETS				
Stocks	12	97	96	97
Debtors due within one year	13	811	757	676
Cash at bank and in hand		2,302	813	2,292
TOTAL CURRENT ASSETS		3,210	1,666	3,065
			3,065	1,662
CREDITORS: amounts falling due within one year	14	(4,824)	(4,892)	(4,824)
		(1,614)	(3,226)	(1,759)
NET CURRENT LIABILITIES				
		(1,614)	(3,226)	(3,230)
TOTAL ASSETS LESS CURRENT LIABILITIES		9,196	8,329	9,046
				8,319
CREDITORS: amounts falling due after more than one year	15	(1,406)	(1,493)	(1,406)
Pension deficit	24.1	(2,069)	(1,153)	(2,069)
Provisions	25	(335)	(376)	(335)
				(1,493)
NET ASSETS		5,386	5,307	5,236
				5,297
CAPITAL AND RESERVES				
Revaluation reserve		295	502	295
Restricted reserves	19	49	56	49
Revenue reserve		4,973	4,747	4,892
				4,739
Minority interest		5,317	5,305	5,236
		69	2	-
Total capital employed		5,386	5,307	5,236
				5,297

The financial statements on pages 14 to 67 were approved and authorised for issue by the Board on 1st October 2021 and were signed on their behalf by: *and 30 March 2022*

B Merrett
B Merrett (Mar 30, 2022 12:48 GMT+1)

Benjamin Merrett
Director
Company Registration number 00173199

S R Lindsey
S R Lindsey (Mar 30, 2022 12:52 GMT+1)

Stuart Lindsey
Director
Homes and Communities Agency Number LH0526

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Consolidated Statement of Changes in Reserves

For the year ended 31 March 2021

	Revenue reserves	Restricted reserve	Revaluation reserve	Total excluding non-controlling interest	Non-controlling interest	Total including non-controlling interest	Restricted fund	Unrestricted fund
Balance as at 1 April 2020	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Surplus from statement of comprehensive income	4,747	56	502	5,305	2	5,307	56	5,251
Transfer from revaluation reserve to income and expenditure	1,159	100	-	1,259	67	1,326	100	1,226
Transfer from restricted to unrestricted reserves	207	-	(207)	-	-	-	-	-
Actuarial loss in respect of pension scheme	107	(107)	-	-	-	-	(107)	107
	(1,247)	-	-	(1,247)	-	(1,247)	-	(1,247)
Balance as at 31 March 2021	4,973	49	295	5,317	69	5,386	49	5,337

	Revenue reserves	Restricted reserve	Revaluation reserve	Total excluding non-controlling interest	Non-controlling interest	Total including non-controlling interest	Restricted fund	Unrestricted fund
Balance as at 1 April 2019	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Deficit from statement of comprehensive income	4,014	50	503	4,567	2	4,569	50	4,519
Transfer from restricted to unrestricted reserves	(959)	120	(1)	(840)	-	(840)	120	(960)
Actuarial gain in respect of pension scheme	114	(114)	-	-	-	-	(114)	114
	1,578	-	-	1,578	-	1,578	-	1,578
Balance as at 31 March 2020	4,747	56	502	5,305	2	5,307	56	5,251

Enhnam Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Company Statement of Changes in Reserves

For the year ended 31 March 2021

	Revenue reserves	Restricted reserve	Revaluation reserve	Total	Restricted fund	Unrestricted fund
Balance as at 1 April 2020	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Surplus from statement of comprehensive income	4,739	56	502	5,297	56	5,241
Transfer from statement of comprehensive income	1,086	100	-	1,186	100	1,086
Transfer from statement of comprehensive income	207	-	(207)	-	-	-
Transfer from restricted to unrestricted reserves	107	(107)	-	-	(107)	107
Actuarial loss in respect of pension scheme	(1,247)	-	-	(1,247)	-	(1,247)
Balance as at 31 March 2021	4,892	49	295	5,236	49	5,187

	Revenue reserves	Restricted reserve	Revaluation reserve	Total	Restricted fund	Unrestricted fund
Balance as at 1 April 2019	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Deficit from statement of comprehensive income	4,004	50	503	4,557	50	4,507
Transfer from statement of comprehensive income	(957)	120	(1)	(838)	120	(958)
Transfer from restricted to unrestricted reserves	114	(114)	-	-	(114)	114
Actuarial gain in respect of pension scheme	1,578	-	-	1,578	-	1,578
Balance as at 31 March 2020	4,739	56	502	5,297	56	5,241

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Consolidated Statement of Cash Flows

For the year ended 31 March 2021

	2021	2020
	(£'000)	(£'000)
Note		
Cash flows from operating activities		
Operating deficit for the year	(105)	(681)
Depreciation of fixed assets	603	592
Impairment of fixed assets	(42)	42
Amortisation of social housing grants	(84)	(58)
(Increase)/decrease in stocks	(1)	77
(Increase)/decrease in debtors	(54)	220
Increase/(decrease) in creditors	48	(367)
Pension contributions made in the year	(354)	(348)
(Decrease)/increase in provision	(41)	376
Share of deficit from interest in associate	1	2
Net cash used in operating activities	(29)	(145)
Cash flows from investing activities		
Income from investment portfolio and bank interest	1	3
Payments to acquire tangible fixed assets	(215)	(152)
Income from fixed asset investments	11	18
Proceeds from disposal of fixed assets	1,930	-
Net cash generated from/(used in) investing activities	1,727	(131)
Cash flow from financing activities		
Bank loan	(119)	(109)
Interest paid	(90)	(108)
Net cash used in financing activities	(209)	(217)
Net increase (decrease) in cash and cash equivalents	1,489	(493)
Cash and cash equivalents at the beginning of the year	813	1,306
Cash and cash equivalents at the end of the year	23	23
	2,302	813

Enham Trust Annual Report and Group Financial Statements

for the year ended 31 March 2021

Company Statement of Cash Flows

For the year ended 31 March 2021

	2021	2020
Note	(£'000)	(£'000)
Cash flows from operating activities		
Operating deficit for the year	(245)	(679)
Depreciation of fixed assets	603	592
Impairment of fixed assets	(42)	42
Amortisation of social housing grants	(84)	(58)
(Increase)/decrease in stocks	(1)	77
Decrease in debtors	87	220
Increase/(decrease) in creditors	48	(367)
Pension contributions made in the year	(354)	(348)
(Decrease)/increase in provision	(41)	376
Net cash used in operating activities	(29)	(145)
Cash flows from investing activities		
Income from investment portfolio and bank interest	1	3
Payments to acquire tangible fixed assets	(215)	(152)
Income from fixed asset investments	11	18
Proceeds from disposal of fixed assets	1,930	-
Net cash generated from/(used in) investing activities	1,727	(131)
Cash flow from financing activities		
Bank loan	(119)	(109)
Interest paid	(90)	(108)
Net cash used in financing activities	(209)	(217)
Net Increase/(decrease) in cash and cash equivalents	1,489	(493)
Cash and cash equivalents at the beginning of the year	23 803	1,296
Cash and cash equivalents at the end of the year	23 2,292	803

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021

1 ACCOUNTING POLICIES

1.1 Legal status

Enham Trust is a private company limited by guarantee incorporated in England under the Companies Act (company registration number 00173199), it is a registered charity (charity number 211235) and is registered with the Regulator of Social Housing (Registered number LH0526) as a Private Registered Provider of Social Housing. Enham Trust operates as a Public Benefit Entity, its registered office is Enham Place, Enham Alamein, Andover, Hampshire, SP11 6JS.

In addition to Enham Trust, the Group comprises the following entities, none of which are registered with the Regulator of Social Housing, all have their registered address at Enham Place, Enham Alamein, Andover, Hampshire, SP11 6JS unless specifically stated otherwise:

Cedar Services Limited is incorporated in England as a private company limited by share capital (company number 3282839). Its sole activity is to provide property development services to Enham Trust. The parent company holds 2 ordinary shares of £1 in its subsidiary Cedar Services Limited. This represents 100% of the issued share capital.

Enham (Trading) Limited is incorporated in England as a private company limited by guarantee (company number 4228452). Its sole activity is as an investment company. It did not engage in any income generating activities in the year ended 31 March 2021 and this is expected to remain so for the foreseeable future.

The Papworth and Enham Foundation is a company limited by guarantee incorporated in England (company number 502119) and is a registered charity (charity number 277670). Its main objective is to assist people with disabilities, which is achieved by raising appeal funds for the Papworth Trust and Enham Trust. Enham Trust is deemed to control 52.5% of the company.

Steps to Employment Limited is incorporated in England as a private company limited by share capital (company number 9282877). Its purpose is to provide employment-related services for disabled and disadvantaged people. Enham Trust holds 2 ordinary shares of £1 in its associate Steps to Employment Limited. This represents 33.3% of the issued share capital of that company. This is considered to be an associate.

1.2 Basis of preparation

The Group's financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP), which comprises FRS 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018 as it applies for the financial statements of the Group, for the year ended 31 March 2021. The Group is required under the Companies Act 2006 to prepare consolidated group financial statements as described in note 1.3. The financial statements are prepared on the going concern basis as described in note 1.5.

Enharm Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

1 ACCOUNTING POLICIES (continued)

The financial statements comply with the Housing and Regeneration Act 2008, the Companies Act 2006 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The financial statements are prepared on a going concern basis as detailed in note 1.5. The financial statements are prepared on the historical cost basis of accounting, except for investments and pension fund liabilities and on an accruals basis, and are presented in pounds sterling.

1.3 Basis of consolidation

The group financial statements are the result of the consolidation of the financial statements of Enharm Trust and of its subsidiaries, Cedar Services Limited, Enharm (Trading) Limited and The Papworth and Enharm Foundation. Intra-group income and expenses are eliminated fully on consolidation.

1.4 Associates

An entity is treated as an associated undertaking where the Group has significant influence but it is neither a subsidiary nor interest in a joint venture. Significant influence is the power to participate in financial and operating decisions of the associate but not to control them.

In the Group financial statements, associates are accounted for using the equity method. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate. The Group's share of the identifiable reserves, attributable to its associate, are shown separately in note 11 and are included in the Consolidated Statement of Financial Position. The net movement in the share of reserves for the year is shown in note 4, and is included in the Consolidated Statement of Comprehensive Income.

1.5 Going concern

At the balance sheet date, the continuing breach of the Trust's lending covenants could have entitled three of Enharm Trust's lenders to demand early repayment of their loans and so these loans have been shown as current liabilities.

In April 2021, Enharm Trust repaid its loan from the Cooper's Livery Company in full at the end of the loan's term and in accordance with the loan document. Subsequent to the year end, Enharm Trust agreed a new loan facility with CAF, which enabled it to repay its loan with Unity. The new loan with CAF has updated covenants which also apply to the existing loan with CAF and CAF has waived all breaches of the loan terms that pre-date the drawdown of the new facility, providing the updated covenants are met as at 31 March 2021. As the updated loan covenants have been met as at 31 March 2021, the Board of Enharm Trust considers that it is in compliance with the terms of its loans from CAF and that CAF is no longer entitled to demand early repayment of its loans.

Enharm Trust has an ongoing programme to improve its operating position combined with a limited programme of planned asset disposals over the next 12 months and this has formed the basis of cash flow forecasts which when considered along with management information have led the Trustees to conclude that it is reasonable to prepare the Trust and the Group financial statements on the going concern basis.

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

1 ACCOUNTING POLICIES (continued)

The Trustees have considered the risks associated with the operating position and cash flow forecasts for the next 12 months, noting that some of the income generation and costs are fixed, that the transition programme, Enham Living, is in progress and will have some level of risk until it completes, and that post pandemic recovery in some revenue streams has been slower than expected. The budgets and forecasts for the next 12 months have been prepared with a greater level of prudence considering the risks to the Trust. Management actively monitor the operational and financial progress, and the trust re-forecasts full year financial outturn monthly providing the Trustees with detailed information.

1.6 Judgements and key sources of estimation uncertainty

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

- a. **Categorisation of properties** The Group has undertaken a detailed review of the intended use of all of its properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that those earning commercial rents are investment properties and those for social benefit are property, plant and equipment.
- b. **Impairment** The Group has identified cash generating units for impairment purposes using the basis on which they are grouped for service delivery, such as those which share service charges, a single complex, or a street.

Key sources of estimation and assumptions are as follows:

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

- b. **Revaluation of investment properties:** The group carries its investment property at fair value with changes in fair value being recognised in the Statement of Comprehensive Income. The valuation is undertaken by management based on historic yields.

- c. **Pensions and other post-employment benefits: Social Housing Pension Scheme (SHPS) – defined benefit structure:** The Group's liability in respect of the SHPS defined benefit multi-employer scheme has been recognised in accordance with the requirements of FRS 102 in respect of accounting for defined benefit pension schemes. The assumptions used in calculating this liability are detailed in Note 24.1.

Enham Trust Annual Report and Group Financial Statements **for the year ended 31 March 2021**

Notes to the financial statements for the year ended 31 March 2021 (continued)

1 ACCOUNTING POLICIES (continued)

- d **Impairment of non-financial assets:** reviews for impairment of properties are carried out annually, or when a trigger has occurred, and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive

Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally properties as grouped for service delivery.

Following a trigger for impairment, the Group performs impairment tests based on fair value less costs to sell, or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions on similar cash generating units (or properties), or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cashflow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Group as the existing property.

- e **Provision in respect of dilapidations arising from a lease:** the Group's liabilities in respect of dilapidations in relation to a lease which ended in February 2020 have been assessed by a suitably qualified and experienced surveyor and included in the accounts as a provision based on that estimate whilst negotiations to settle the liability remain ongoing.

1.7 Income recognition

Revenue represents rental income receivable, amortised capital grant, voluntary and other revenue grants and fees from national governments and local authorities, voluntary income, income from the sale of goods and services and other income.

Income from the sale of goods and services is recognised in the period where the goods or services have been supplied.

Rental income is recognised when the property is available for let net of voids.

All grants other than Social Housing Grant are recognised once the Charity has entitlement to the income, any performance conditions attached to the items of income have been met or can be met, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Where properties have been financed wholly or in part by Social Housing Grants, the amount of grant received has been included as deferred income and recognised in revenue over the estimated useful life of the associated asset structure (not land), under the accruals model.

Social Housing Grant must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases the Social Housing Grant may be used for projects approved by the Homes England. However, Social Housing Grant may have to be repaid if certain conditions are not met. In certain circumstances Social Housing Grant may be repayable and in that event it is a subordinated unsecured repayable debt.

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

1 ACCOUNTING POLICIES (continued)

Contractual income, including care income, is recognised under the terms of contractual arrangements.

Investment income is recognised on an accruals basis. Donations and legacies are recognised as income where there is evidence of entitlement, receipt is probable and the amount can be measured reliably. Voluntary income restricted as to use by the donor and unexpended at the year end is transferred to restricted reserves.

Donated goods are recognised at market value where it is ascertainable and material to the financial statements, with an adjustment based on their worth to the charity. General volunteer time is not recognised in the financial statements.

Income from employment services is recognised as claims are presented to the Department for Work and Pensions.

Income from education services is received in respect of academic years which end on 31 July. Ordinarily income is recognised as defined learner targets and outcomes are achieved. Where this basis would lead to the recognition of all the income for an academic year before the end of that academic year, then income recognition will be restricted to ensure that sufficient income remains to meet the full costs of providing the service for the balance of the academic year.

1.8 Service charges

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and variable service charges on a service by service basis. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and the deficit being recovered by a higher charge. Until these are returned or recovered they are held as creditors or debtors in the Statement of Financial Position.

1.9 Taxation

The charities within the Group are exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

The wholly owned non-charitable subsidiaries' profits are normally gift aided to the parent and, as such, normally no taxation liabilities are incurred in those subsidiaries.

1.10 Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements and pension plans. The costs of these are recognised in same period in which the employee earned the entitlement to the benefit.

1.11 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and been carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement.

Enhnam Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

ACCOUNTING POLICIES (continued)

1.12 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation. Freehold land is not depreciated. Housing and other properties under construction are stated at cost and are not depreciated, other than where an impairment charge has been assessed as being required. These are reclassified as appropriate on practical completion of construction.

Where a property comprises two or more major components with substantially different useful economic lives, each component is accounted for separately and depreciated over its individual useful economic life. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Group depreciates freehold properties by component on a straight line basis over the estimated useful economic lives of the component categories. The useful economic lives for identified components are as follows:

Boilers	10 Years
Kitchens	20 Years
Bathrooms	30 Years
Windows	30 Years
Roofs	50 Years
Structures	50 Years

The Group depreciates expenditure on properties held on long term leases in the same manner as freehold properties or over the term of the lease, whichever is the shorter.

Depreciation is charged on other tangible fixed assets on a straight-line basis, over the estimated economic useful lives which are as follows:

Fire safety systems	25 Years
Plant and equipment	3 to 10 Years
Motor Vehicles	4 Years

Where appropriate, provision has been made for impairment in the value of tangible fixed assets.

1.13 Capitalisation of interest and staff costs

Interest on loans financing development is capitalised up to the date of completion of the scheme and only when development activity is in progress. Staff costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property to its intended use.

**Enham Trust Annual Report and Group Financial Statements
for the year ended 31 March 2021**

Notes to the financial statements for the year ended 31 March 2021 (continued)

1 ACCOUNTING POLICIES (continued)

1.14 Leasing and hire purchase

Where assets are financed by hire purchase contracts and leasing arrangements that give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. They are depreciated over the shorter of the lease term and their economic useful lives. The corresponding leasing commitments are shown as obligations to the lessor in creditors.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the Statement of Comprehensive Income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Other leases are treated as operating leases and charged to the Statement of Comprehensive Income as incurred.

1.15 Investment property

Investment property includes commercial and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually and derived from current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

1.16 Valuation of investments

Investments in subsidiaries and associate are measured at cost less accumulated impairment.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Comprehensive Income, except that investments in equity instruments that are not publicly traded, and whose fair values cannot be measured reliably, are measured at cost less impairment.

1.17 Stock held for sale

Stock of materials is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

1 ACCOUNTING POLICIES (continued)

1.18 Short-term debtors and creditors

Debtors and creditors with no stated interest rate, and receivable or payable within one year, are recorded at amortised cost. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

1.19 Recycling of Capital Grant

Where Social Housing Grant is recycled as described in 1.7 it is credited to a fund which appears as a creditor until used to fund either the acquisition of new properties or another purpose approved by Homes England. Where recycled grant is known to be repayable it is shown as a creditor within one year.

1.20 Retirement benefits

The cost of providing retirement pensions and related benefits for current employees is charged as an expense over the period benefiting from the employee's services.

The pension liabilities and assets in respect of the SHPS pension scheme, which is closed to future accrual are recorded in line with FRS 102, with a valuation undertaken by an independent actuary. FRS 102 measures the value of the pension assets and liabilities at the date of the Statement of Financial Position and determines the interest on assets and liabilities. The value of the net interest and administrative costs are used to determine the pensions charge in the Statement of Comprehensive Income. The change in the value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions or changes in the level of deficit attributable to members is recognised in the Statement of Comprehensive Income within actuarial gains/losses on defined benefit pension schemes. The pension liability is reflected in the Statement of Financial Position.

The Growth Plan is a defined benefit multi-employer pension scheme which is closed to future accrual. Enham Trust has been advised by the Scheme administrators that it is not possible to identify Enham Trust's share of the underlying assets of the Growth Plan and hence Enham Trust's share of the deficit is deemed to be the deficit contributions payable by Enham Trust and is recorded as a liability in the Statement of Financial Position.

1.21 Revaluation reserve

The revaluation reserve represents the difference between the fair value of investments and the historical cost carrying value.

1.22 Restricted reserves

The reserve represents the unexpended amount of donations received where the donor has attached specific restrictions as to how the donation will be used, which have not yet been met.

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

1 ACCOUNTING POLICIES (continued)

1.23 Financial Instruments

Enham Trust only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at transaction price and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at the market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing any additional restrictions.

Basic financial liabilities, including trade and other payables and loans from third parties, are initially recognised at transaction price. Such liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Enham Trust Annual Report and Group Financial Statements
for the year ended 31 March 2021**

Notes to the financial statements for the year ended 31 March 2021 (continued)

2 ACCOUNTING POLICIES (continued)

1.24 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when Enham Trust has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure.

Enharm Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

2. Revenue, operating expenditure and operating deficit by activity

	Group					Group				
	Year ended 31 March 2021					Year ended 31 March 2020				
	Note	Revenue (£'000)	Operating expenditure (£'000)	Impairment of fixed assets (£'000)	Operating deficit (£'000)	Revenue (£'000)	Operating expenditure (£'000)	Impairment of fixed assets (£'000)	Operating deficit (£'000)	
Continuing Activities										
Social housing activities										
Residential accommodation	3	1,608	(1,244)	-	364	1,644	(1,187)	-	457	
Other social housing activities										
Care and transition		3,617	(4,278)	-	(661)	3,656	(4,250)	-	(594)	
Activities other than social housing										
Information Advice and Guidance		1,126	(1,080)	-	46	890	(917)	-	(27)	
Employment and skills		996	(884)	-	112	1,047	(811)	-	236	
Social enterprises		493	(832)	-	(339)	2,083	(2,126)	-	(43)	
		7,840	(8,319)	-	(479)	9,320	(9,297)	-	29	
Other income	4	802	(377)	-	425	341	(160)	-	181	
Total before discontinued activities		8,642	(8,696)	-	(54)	9,661	(9,457)	-	210	
Discontinued Activities										
Social enterprises		91	(184)	42	(51)	608	(1,457)	(42)	(891)	
Total including discontinued activities		8,733	(8,880)	42	(105)	10,269	(10,908)	(42)	(681)	

Included in Revenue in the respective activities above are various government grants received in respect of COVID. In particular £236k to meet the additional costs of providing care services and £18k to contribute to the shortfall of income from the charity shop when closed as non essential retail. Included in Other Income is £252k in respect of the Job Retention Scheme mainly in respect of social enterprises

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

2. Revenue, operating expenditure and operating deficit by activity (continued)

Notes	Company				Company			
	Year ended 31 March 2021				Year ended 31 March 2020			
	Revenue (£'000)	Operating expenditure (£'000)	Impairment of fixed assets (£'000)	Operating deficit (£'000)	Revenue (£'000)	Operating expenditure (£'000)	Impairment of fixed assets (£'000)	Operating deficit (£'000)
Continuing Activities								
Social housing activities								
Residential accommodation	1,508	(1,244)	*	364	1,544	(1,187)	*	457
Other social housing activities								
Care and transition	3,617	(4,278)	*	(661)	3,656	(4,250)	*	(594)
Activities other than social housing								
Information Advice and Guidance	1,126	(1,080)	*	46	890	(917)	*	(27)
Employment and skills	996	(884)	*	112	1,047	(811)	*	236
Social enterprises	493	(832)	*	(339)	2,083	(2,126)	*	(43)
	7,940	(8,319)	*	(479)	9,320	(9,291)	*	29
Other income	662	(377)	*	285	343	(160)	*	183
Total before discontinued activities	8,502	(8,696)	-	(194)	9,663	(9,451)	-	212
Discontinued Activities								
Social enterprises	91	(184)	42	(51)	608	(1,457)	(42)	(891)
Total including discontinued activities	8,593	(8,880)	42	(245)	10,271	(10,908)	(42)	(679)

Included in Revenue in the respective activities above are various government grants received in respect of COVID. In particular £236k to meet the additional costs of providing care services, £18k to contribute to the shortfall of income from the charity shop when closed as non essential retail and £262k in respect of the Job Retention Scheme mainly in respect of social enterprises

Enhnam Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

3. Social housing activities

Group and Company	Group and Company				Group and Company			
	Year ended 31 March 2021				Year ended 31 March 2020			
	General needs housing (£'000)	Supported housing (£'000)	Other properties (£'000)	Total (£'000)	General needs housing (£'000)	Supported housing (£'000)	Other properties (£'000)	Total (£'000)
Income								
Income from residential lettings								
Rents	989	403	83	1,475	1,022	406	85	1,513
Service charges	51	120	7	178	51	120	7	178
	1,040	523	90	1,653	1,073	526	92	1,691
Less Rent losses from voids	(27)	(27)	(18)	(72)	(58)	(28)	(19)	(105)
Grant amortisation	1,013	496	72	1,581	1,015	498	73	1,586
Other income	19	+	+	19	58	+	+	58
Total Income	8	-	-	8	-	-	-	-
	1,040	496	72	1,608	1,073	498	73	1,644
Expenditure								
Services	66	116	18	200	49	135	14	198
Management	117	8	2	127	138	4	5	147
Routine maintenance	319	33	8	360	376	29	3	408
Depreciation	151	122	72	345	150	98	29	277
Central support costs	161	36	15	212	125	25	7	157
	814	315	115	1,244	838	291	58	1,187
Operating surplus on social housing	226	181	(43)	364	235	207	15	457

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

3. Social housing activities (continued)

At the end of the year, the following units of accommodation were owned and managed by Enham Trust:

	2021 No.	2020 No.
General needs housing	145	147
Supported housing	79	79
Residential care	56	56
Other housing	36	36
	316	318

4. Other income

	Group 2021 (£'000)	Group 2020 (£'000)	Company 2021 (£'000)	Company 2020 (£'000)
Donations	161	171	161	171
Grants	302	120	302	120
Legacies	326	-	185	-
Events	14	52	14	52
Decrease in Associate reserves	(1)	(2)	-	-
	802	341	662	343

5. Interest and Financing Costs

Group and Company

a) Interest receivable

	2021 (£'000)	2020 (£'000)
Income from investment portfolio	1	3
Rent from investment properties	11	18
	12	21

b) Interest payable and financing costs

	2021 (£'000)	2020 (£'000)
Loan interest	90	108
Net interest expense for pension liability (note 24.1)	23	65
	113	173

Enharn Trust Annual Report and Group Financial Statements **for the year ended 31 March 2021**

Notes to the financial statements for the year ended 31 March 2021 (continued)

6. Surplus/(Deficit) for the year

The surplus/(deficit) for the year is stated after charging/(crediting):

	Group 2021 (£'000)	Group 2020 (£'000)	Company 2021 (£'000)	Company 2020 (£'000)
Auditors' remuneration				
- fees payable for audit services	87	74	87	74
Operating lease rentals				
Land and buildings	151	155	151	155
Plant and machinery	126	138	126	138
Finance lease interest	-	1	-	1
(Profit)/loss on disposal of fixed assets				
Land and buildings	(1,499)	6	(1,499)	6
Plant and machinery	(33)	-	(33)	-

7. Employee information

The average number of persons (including the Chief Executive) employed by the Company and Group during the year was:

	2021 Total Number	2020 Total Number
Group and Company		
Raising funds	3	4
Social enterprises	30	52
Housing	15	12
Care and transition	97	101
Information advice and guidance	30	28
Employment and skills	19	15
Management and support staff	29	30
	223	242
Average number of employees expressed as full time equivalents:		
	176	199

Staff costs for these employees were:

	2021 (£'000)	2020 (£'000)
Group and Company		
Wages and salaries	4,686	4,851
Social security costs	375	373
Other pension costs	151	151
	5,212	5,375
24.1		

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

8. Directors' remuneration

Under the Accounting Requirements for Registered Social Landlords General Determination 2019, the Trustees, Chief Executive and senior executives are to be treated as 'directors' for the purpose of this note.

The Trustees received no remuneration during the year (2020: £nil).

Total remuneration payable to the other directors (including senior executives) who are deemed to be key management personnel, was as follows:

Group and Company	2021		2020	
	(£'000)		(£'000)	
Salary and benefits in kind		443		373
Pension contributions paid (defined contribution pension Scheme)		22		19
		<u>465</u>		<u>392</u>
Number of employees whose emoluments exceeded £60,000	£'000	Number	Number	
	60 - 70	3	2	
	70 - 80	1	1	
	80 - 90	1	1	
	90 - 100	-	1	
	100-110	1	-	

The remuneration (excluding pension contributions), payable to the highest paid director, who was the Chief Executive, totalled £96,425 in 2021 (2020: £92,871).

The Chief Executive is a member of the defined contribution pension scheme and receives no enhanced membership benefits. The employer contribution to the scheme in on their behalf was £5,786 (2020: £5,572).

Group and Company

Total expenses reimbursed to the directors not chargeable to United Kingdom income tax during the year was £301 (2020:£1,421).

Enhnam Trust Annual Report and Group Financial Statements **for the year ended 31 March 2021**

Notes to the financial statements for the year ended 31 March 2021 (continued)

9. Income tax expenses

Enhnam Trust is a registered charity and as such is potentially exempt from taxation of its income and gains to the extent that they fall within the exemptions available to charities under the Taxes Act and are applied to its charitable objectives.

The charities within the Group are exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

10. Tangible fixed assets

Group and Company	Freehold housing properties (£'000)	Freehold care homes (£'000)	Assets under construction (£'000)	Other freehold properties (£'000)	Plant and equipment and motor vehicles (£'000)	Total (£'000)
Cost						
At 1 April 2020	9,768	4,363	2,803	4,204	4,287	25,425
Additions	31	-	144	-	40	215
Disposals	(125)	-	-	(245)	(1,477)	(1,847)
At 31 March 2021	9,674	4,363	2,947	3,959	2,850	23,793
Accumulated Depreciation						
At 1 April 2020	4,465	1,887	2,771	1,510	3,616	14,249
Charge for the year	256	96	-	127	124	603
Disposals	(90)	-	-	-	(1,359)	(1,449)
Impairment	-	-	-	-	(42)	(42)
At 31 March 2021	4,631	1,983	2,771	1,637	2,339	13,361
Net book value						
At 31 March 2021	5,043	2,380	176	2,322	511	10,432
At 31 March 2020	5,303	2,476	32	2,694	671	11,176

Assets held under finance leases and capitalised in motor vehicles have a cost of £nil (2020: £68k), accumulated depreciation of nil (2020: £65k) and a net book value of £nil (2020: £3k).

Enham Trust Annual Report and Group Financial Statements **for the year ended 31 March 2021**

Notes to the financial statements for the year ended 31 March 2021 (continued)

11. Investments

Analysis by category of holding

	Note	Group 2021 (£'000)	Group 2020 (£'000)	Company 2021 (£'000)	Company 2020 (£'000)
Unlisted shares		4	4	3	3
Investment property		370	370	370	370
		374	374	373	373
Investment in Associate Company	22	4	5	-	-
		378	379	373	373
		2021 (£)	2020 (£)	2021 (£)	2020 (£)
Shareholdings in subsidiary undertakings		-	-	2	2

Analysis of movement in investments

Group	Unlisted shares (£'000)	Investment property (£'000)	2021 Total (£'000)
Market value at 1 April 2020			
Investment in Associate Company	9	370	379
	(1)	-	(1)
Market value at 31 March 2021	8	370	378
Group	Unlisted shares (£'000)	Investment property (£'000)	2020 Total (£'000)
Market value at 1 April 2019	12	370	382
Net realised losses	(1)	-	(1)
Investment in Associate Company	(2)	-	(2)
Market value at 31 March 2020	9	370	379

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

1.1. Investments (continued)

Company	Unlisted shares (£'000)	Investment property (£'000)	2021 Total (£'000)
Market value at 1 April 2020	3	370	373
Net unrealised losses	-	-	-
Market value at 31 March 2021	3	370	373

Company	Unlisted shares (£'000)	Investment property (£'000)	2020 Total (£'000)
Market value at 1 April 2019	4	370	374
Net unrealised losses	(1)	-	(1)
Market value at 31 March 2020	3	370	373

1.2. Stocks

Group and Company	2021 (£'000)	2020 (£'000)
Raw materials	-	4
Horticultural stock	51	51
Consumable stock	46	41
	97	96

There is no significant difference between the replacement cost and the value of stocks shown.

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

13. Debtors due within one year

	Group 2021 (£'000)	Group 2020 (£'000)	Company 2021 (£'000)	Company 2020 (£'000)
Trade debtors	414	582	414	582
Amounts owed by group undertakings	-	-	9	9
Other debtors	40	35	37	32
Prepayments and accrued income	357	140	216	140
	811	757	676	763

Trade debtors includes Social Housing rent arrears of £69k (2020: £73k) net of a provision for bad and doubtful rent debtors of £ 15k (2020: £17k).

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

14. Creditors: Amounts falling due within one year

Group and Company	Note	2021 (£'000)	2020 (£'000)
Trade creditors		320	395
Taxation and social security		149	216
Other creditors		284	170
Bank loans		2,919	3,038
Concessionary loans		500	500
Accruals		198	222
Deferred income	16	334	293
Unamortised social housing grants	16	58	58
Recycled capital grant fund	17	62	-
		4,824	4,892

Enham Trust has two bank loans, each of which are secured by fixed charges on a number of the group's properties. A loan originally for £2,500,000 has interest at 2.5% over Base Rate and has a term of 25 years. The other bank loan is for a period not exceeding 10 years and has an interest rate of 2.75% above Base Rate (subject to a minimum of 4%). The Board has concluded that Enham Trust's financial performance for the year would entitle both of the banks to call for early repayment of their loans and accordingly they are shown as current liabilities.

Subsequent to the Balance Sheet Date Enham Trust has agreed a new facility with its main lender which has revised covenants, the other two lenders loans have been redeemed.

In 2011 the charity received a £500,000 loan provided by Coopers Livery Housing Fund Limited. The concessionary loan, which was secured by a charge against a freehold housing property was repaid in full in accordance with the loan agreement in April 2021.

Other Creditors are unsecured.

Enham Trust Annual Report and Group Financial Statements **for the year ended 31 March 2021**

Notes to the financial statements for the year ended 31 March 2021 (continued)

13. Debtors due within one year

	Group 2021 (£'000)	Group 2020 (£'000)	Company 2021 (£'000)	Company 2020 (£'000)
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	<u>811</u>	<u>757</u>	<u>676</u>	<u>763</u>

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Other Creditors are unsecured.

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

15. Creditors: Amounts falling due after more than one year

Group and Company	Note	2021 (£'000)	2020 (£'000)
Concessionary loans		375	375
Unamortised social housing grants	16	939	1,023
Pension - Growth Plan	24.2	19	24
Other creditors		7	8
Recycled capital grant fund	17	66	63
		<u>1,406</u>	<u>1,493</u>
Repayable as follows:			
Concessionary Loans		375	375
After more than 5 years		<u>375</u>	<u>375</u>
Unamortised Social housing grants			
Due in 1 - 2 years		58	58
Due in 2 - 5 years		170	175
After more than 5 years		<u>711</u>	<u>790</u>
		<u>939</u>	<u>1,023</u>

The concessionary loan is an interest free advance from the Employment Service towards the cost of approved capital expenditure in connection with supported employment. Provided the conditions upon which the advances were made continue to be observed they have no fixed time of repayment.

All creditors falling due after more than one year are unsecured.

16. Deferred income

	Unamortised social housing grant	Other deferred income	2021 Total	2020 Total
Note	(£'000)	(£'000)	(£'000)	(£'000)
Balance at 1 April	1,081	293	1,374	1,402
Amount released to income	(58)	(1,052)	(1,110)	(977)
Recycled on disposal of fixed asset	(26)	-	(26)	-
Amount deferred in the year	-	1,093	1,093	949
Balance carried forward at 31 March	<u>997</u>	<u>334</u>	<u>1,331</u>	<u>1,374</u>
Shown as:				
Creditors due within one year	14	58	334	392
Creditors due after one year	15	939	-	939
		<u>997</u>	<u>334</u>	<u>1,331</u>
			<u>1,331</u>	<u>1,374</u>

Enhnam Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

17. Recycled capital grant fund

Group and Company	Note	2021	2020
		(£'000)	(£'000)
Balance at 1 April		63	63
Grant recycled		65	-
Balance carried forward at 31 March		<u>128</u>	<u>63</u>
Shown as:			
Creditors due within one year	14	62	-
Creditors due after one year	15	<u>66</u>	<u>63</u>
		<u>128</u>	<u>63</u>

Grant recycled in the year relates to properties sold within the year. To the extent that grant was not amortised at the date of sale it was transferred from deferred income (note 16). Grant amortised in prior years was adjusted from the Statement of Comprehensive Income.

Enham Trust Annual Report and Group Financial Statements

for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

18. Financial Instruments

Group

Financial assets

2021	2020
(£'000)	(£'000)

Financial assets measured at fair value through profit or loss

Unlisted shares

4	4
4	4

Financial assets measured at amortised cost

Trade debtors

414	582
-----	-----

Other debtors

40	35
----	----

Accrued income

247	20
-----	----

Cash at bank and in hand

2,302	813
-------	-----

3,003	1,450
-------	-------

3,007	1,454
-------	-------

Total

Financial liabilities measured at amortised cost

Trade creditors

320	395
-----	-----

Other creditors

291	178
-----	-----

Bank loans

2,919	3,038
-------	-------

Concessionary loans

875	875
-----	-----

Accruals

198	222
-----	-----

Total

4,603	4,708
-------	-------

Company

Financial assets

2021	2020
(£'000)	(£'000)

Financial assets measured at fair value through profit or loss

Unlisted shares

3	3
3	3

Financial assets measured at amortised cost

Trade debtors

414	582
-----	-----

Amounts owed by group undertakings

9	9
---	---

Other debtors

37	32
----	----

Accrued income

106	20
-----	----

Cash at bank and in hand

2,292	803
-------	-----

2,858	1,446
-------	-------

2,861	1,449
-------	-------

Total

Financial liabilities measured at amortised cost

Trade creditors

320	395
-----	-----

Other creditors

291	178
-----	-----

Bank loans

2,919	3,038
-------	-------

Concessionary loans

875	875
-----	-----

Accruals

198	222
-----	-----

Total

4,603	4,708
-------	-------

The Board assess that the group's financial performance is such that the lenders of the bank loans and £500,000 of the concessionary loans would be entitled to call for early repayment and accordingly are shown as current liabilities.

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

19. Restricted reserves

	1 April 2020 (£'000)	Fundraising (£'000)	Expenditure (£'000)	Transfers (£'000)	31 March 2021 (£'000)
Group and Company					
Sports Hall	-	66	-	(66)	-
Choices	10	3	-	(12)	1
Care services	11	2	(1)	-	12
Training Kitchen	11	1	-	-	12
Health and Wellbeing	1	28	-	(29)	-
Other	23	2	(1)	-	24
	56	102	(2)	(107)	49

20. Financial Commitments

There is a capital commitment of £14K (2020: none) at the year end that has not been provided for in the financial statements. This is to complete the refurbishment of a building into a sports hall.

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and buildings		Other	
	2021 (£'000)	2020 (£'000)	2021 (£'000)	2020 (£'000)
Group and Company				
Payments due				
Not later than one year	15	123	38	97
Later than one year and not later than five years	44	44	30	53
Later than five years	27	41	-	-
Total	86	208	68	150

The Group had the following future minimum lease payments under non-cancellable finance leases for each of the following periods:

	Other	
	2021 (£'000)	2020 (£'000)
Group and Company		
Payments due		
Not later than one year	-	3
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	-	3

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

21. Analysis of total funds

Group	Unrestricted		Restricted	
	Funds	Funds	2021	2020
Type of asset and liability	(£'000)	(£'000)	(£'000)	(£'000)
Tangible fixed assets	10,432	-	10,432	11,176
Investments	378	-	378	379
Net current liabilities	(1,663)	49	(1,614)	(3,226)
Creditors falling due after more than one year	(1,406)	-	(1,406)	(1,493)
Pension Provision	(2,069)	-	(2,069)	(1,153)
Provision	(335)	-	(335)	(376)
	5,337	49	5,386	5,307

Company	Unrestricted		Restricted	
	Funds	Funds	2021	2020
Type of asset and liability	(£'000)	(£'000)	(£'000)	(£'000)
Tangible fixed assets	10,432	-	10,432	11,176
Investments	373	-	373	373
Net current liabilities	(1,808)	49	(1,759)	(3,230)
Creditors falling due after more than one year	(1,406)	-	(1,406)	(1,493)
Pension Provision	(2,069)	-	(2,069)	(1,153)
Provision	(335)	-	(335)	(376)
	5,187	49	5,236	5,297

22. Associate company

Steps to Employment Limited

Steps to Employment Limited is a private company limited by shares.

Enham Trust acquired 33.3% of the share capital of Steps to Employment Limited, in July 2015. It has been treated as an associated company in the consolidated financial statements. It has been recognised in the consolidated financial statements using the equity method.

Shareholdings in associate undertaking

	Group		Group		Company	
	2021	(£)	2020	(£)	2021	2020
	(£)	(£)	(£)	(£)	(£)	(£)
	2	2	2	2	2	2

Note	Group		Group	
	2021	(£'000)	2020	(£'000)
	5	(1)	7	(2)
	4	4	5	5

Cost at 1 April

33.3% of (deficit) to 31 March

Total valued carried forward at 31 March

11

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

23. Analysis of changes in net debt

Group

	Other non-			
	At 1 April 2020	Cash flows	Cash changes	At 31 March 2021
	(£'000)	(£'000)	(£'000)	(£'000)
Cash and cash equivalents				
Cash	813	1,489	-	2,302
Borrowings				
Debt due within one year	(3,538)	119	-	(3,419)
Debt due after one year	(375)	-	-	(375)
	(3,913)	119	-	(3,794)
	(3,100)	1,608	-	(1,492)

Company

	Other non-			
	At 1 April 2020	Cash flows	Cash changes	At 31 March 2021
	(£'000)	(£'000)	(£'000)	(£'000)
Cash and cash equivalents				
Cash	803	1,489	-	2,292
Borrowings				
Debt due within one year	(3,538)	119	-	(3,419)
Debt due after one year	(375)	-	-	(375)
	(3,913)	119	-	(3,794)
	(3,110)	1,608	-	(1,502)

24. Pension commitments

The group participates in defined contribution Pension schemes. The group also has liabilities in respect of defined benefit schemes, which are closed to accrual and in respect of which contributions are made in line with approved recovery plans. The assets of all defined contribution and defined benefit schemes are held separately from those of the company in independently administered funds. Pension contributions payable for the year, including payments under agreed recovery plans were:

Group and Company	Note	2021	2020
	(£'000)	(£'000)	(£'000)
Defined contribution scheme	7	151	151
Defined benefit scheme	24.1	372	366
Defined benefit scheme – growth plan	24.2	4	6
		527	523

Pension contributions outstanding at the year-end amounted to £64,770 (2020: £51,113) and are included in accruals.

Enharn Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

24. Pension commitments (continued)

Defined Benefit Scheme - Group and Company

24.1 Social Housing Pension Scheme

Enharn Trust participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. Whilst Enharn Trust still participates in the scheme it has been closed to future accrual since September 2010.

The Scheme is subject to funding legislation outlined in the Pensions Act 2004, which came into force on 30 December 2005. This together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the Scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2025.

The Scheme is classified as a "last man standing" arrangement. Therefore Enharn 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 net defined benefit liability

	31 March 2021	31 March 2020
Fair value of plan assets	(£'000)	(£'000)
10,707		9,939
Present value of defined benefit obligation	12,776	11,092
Deficit in plan	(2,069)	(1,153)

Reconciliation of opening and closing balances of the defined benefit obligation

	2021 (£'000)	2020 (£'000)
Defined benefit obligation at 1 April	11,092	12,840
Expenses	18	18
Interest expense	260	290
Actuarial (gains) due to scheme experience	(300)	(287)
Actuarial losses/(gains) due to changes in demographic assumptions	53	(123)
Actuarial losses/(gains) due to changes in financial assumptions	2,164	(1,289)
Benefits paid and expenses	(511)	(357)
Defined benefit obligation at 31 March	12,776	11,092

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

24. Pension commitments (continued)

24.1 Social Housing Pension Scheme (continued)

Reconciliation of opening and closing balances of the fair value of plan assets

	2021 (£'000)	2020 (£'000)
Fair value of plan assets at 1 April		
Interest income	9,939	9,826
Experience on plan assets (excluding amounts included in interest income) - gain/(loss)	238	225
Contributions by the employer	670	(121)
Benefits paid and expenses	372	366
	(512)	(357)
Fair value of plan assets at 31 March	10,707	9,939

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 to 31 March 2021 was £908k (2020: £104k).

Defined benefit costs recognised in Statement of Comprehensive Income (SOCl)

	2021 (£'000)	2020 (£'000)
Expenses		
Net interest expense (note 5)	18	18
	23	65
Defined benefit costs recognised in Statement of Comprehensive Income (SOCl)	41	83

Defined benefit gains/(losses) recognised in Other Comprehensive Income/(Expense)

	2021 (£'000)	2020 (£'000)
Experience on plan assets (excluding amounts included in net interest cost) - gain/(loss)	670	(121)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)/gain	300	287
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss)/gain	(53)	123
	(2,164)	1,289
Total amount recognised (losses)/ gains in Other Comprehensive Income/(Expense)	(1,247)	1,578

Enham Trust Annual Report and Group Financial Statements for the year ended 31 March 2021

Notes to the financial statements for the year ended 31 March 2021 (continued)

24. Pension commitments (continued)

24.1 Social Housing Pension Scheme (continued)

ASSETS	31 March 2021	31 March 2020
	(£'000)	(£'000)
Absolute Return	591	518
Alternative Risk Premia	403	694
Corporate Bond Fund	633	567
Credit Relative Value	337	273
Distressed Opportunities	309	191
Emerging Markets Debt	432	301
Fund of Hedge Funds	1	6
Global Equity	1,707	1,453
Infrastructure	714	740
Insurance-Linked Securities	257	305
Liability Driven Investment	2,721	3,299
Liquid Credit	128	4
Long Lease Property	210	172
Net Current Assets	65	43
Opportunistic Liquid Credit	272	241
Private Debt	255	200
High Yield	321	-
Opportunistic Credit	294	-
Property	222	219
Risk Sharing	390	336
Secured Income	445	377
Total assets	10,707	9,939

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

	31 March 2021	31 March 2020
% per annum	% per annum	% per annum
Discount Rate	2.12%	2.40%
Inflation (RPI)	3.31%	2.67%
Inflation (CPI)	2.84%	1.67%
Salary Growth	3.84%	2.67%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

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

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Notes to the financial statements for the year ended 31 March 2021 (continued)

24. Pension commitments (continued)

24.2 Growth Plan

Enhnam Trust participates in the Growth Plan (the Plan), a multi-employer scheme which provides benefits to some 950 non- associated employers. The Plan is a defined benefit scheme in the UK. Whilst Enhnam Trust still participates in the scheme it has been closed to future accrual.

The Pensions Trust, who administer the Plan have advised Enhnam Trust that it would not be possible for sufficient information to be provided to Enhnam Trust to enable it to account for the Scheme as a defined benefit scheme. Therefore Enhnam Trust has accounted for the Scheme as a defined contribution scheme.

The Scheme is subject to funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the Scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £131.5m. Recovery Plans have been put in place with the aim of removing this deficit by 30 September 2025.

As the Scheme is in deficit and Enhnam Trust has agreed to a deficit funding arrangement a liability is recognised for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using a discount rate of 0.66% (2020:2.53%).

The liability as at 31 March 2021 is £26k (31 March 2020: £30k).

25. Provisions

Group and Company	2021		2020	
	Total	(£'000)	Total	(£'000)
Balance at 1 April	376		-	
Amount provided for in year	25		376	
Amount released in year	(66)		-	
Balance carried forward at 31 March	335		376	

Provisions relate to estimates of amounts payable under contractual commitments and in respect of legal claims against Enhnam Trust, which are expected to be paid within the next year.

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Notes to the financial statements for the year ended 31 March 2021 (continued)

26. Related party transactions

Enharn Trust owns 33.3% of the share capital of Steps to Employment Limited. During the year the company invoiced Enharn Trust for fees totalling £nil (2020: £3,000). A balance of £600 (2020: £600) was owed to Enharn Trust at the year end.

Enharn Trust owns 52.50% of the Papworth and Enharn Foundation. There were no transactions with the company during the year (2020: £nil). A balance of £1,320 was owed to Enharn Trust at the year end (2020: £1,320).

Enharn Trust owns 100% of the share capital of Enharn (Trading) Limited. There were no transactions with the company during the year (2020: £nil). A balance of £3,392 was owed to Enharn Trust at the year end (2020: £3,392).