

MILESTONES TRUST

England & Wales · Charity number 294377

Details

| | |
|----------------|--|
| Other names | ASPECTS AND MILESTONES TRUST, FRENCHAY AND SOUTHMEAD CARE TRUST, FRENCHAY MENTAL HANDICAP TRUST, THE FRENCHAY COMMUNITY CARE TRUST, ASPECTS, MILESTONES, ON THE UP |
| Status | Registered |
| Legal form | Charitable company |
| Company number | 02011021 |
| Registered | 1986-05-15 |
| Register | View on the Charity Commission register |

Contact

| | |
|---------|--|
| Address | Milestones Trust Unit 10-11 Eclipse Office Park High Street Staple Hill BRISTOL |
| Phone | 01179709300 |
| Email | info@milestonetrust.org.uk |
| Website | www.milestonetrust.org.uk |

Activities

Objects: To promote and protect the health and wellbeing of people with autism, cognitive impairment, dementia or other mental or related health needs by providing nursing, social care, accommodation, education, training and support.

Activities: The Trust provides support to adults with learning disabilities and mental health needs. We offer Nursing and Residential Care in around 50 homes in the Bristol area, as well as Supported Living, Short Breaks, Day Care and Home Care. Services are tailored to meet individual needs and to support people to achieve their own goals.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Disability, Accommodation/housing
- **Who:** Elderly/old People, People With Disabilities

Geography

- Bath And North East Somerset
- Bristol City
- Gloucestershire
- North Somerset
- South Gloucestershire
- Swindon
- Wiltshire

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|-------------|-------------|-------------|-----------|
| 2025-03-31 | £41,118,264 | £37,638,335 | £24,310,665 | 1069 |
| 2024-03-31 | £32,562,522 | £31,180,677 | £20,837,487 | 929 |
| 2023-03-31 | £29,737,407 | £31,511,678 | £19,281,572 | 876 |
| 2022-03-31 | £30,297,259 | £30,784,503 | £21,193,314 | 960 |
| 2021-03-31 | £30,241,199 | £29,148,555 | £21,608,442 | 1066 |

Trustees

| Name | Role | Appointed |
|---------------------------------|-------|------------|
| Donald Edward Nordberg | Chair | 2018-03-26 |
| James John Arnold | | 2025-11-01 |
| Janet Rosemary Lawry | | 2023-09-26 |
| Katie Louise Dominy | | 2025-06-23 |
| Lorraine Brown | | 2025-06-23 |
| Neil Graham Baines-Thomas | | 2022-09-27 |
| Paula Clara Lock | | 2023-09-26 |
| Professor David Boateng Sarpong | | 2021-12-13 |
| Susan Joy Jones | | 2020-11-16 |
| Susan Sturgis Cummings | | 2020-09-14 |
| Timothy Simon Jenkinson | | 2021-03-29 |

MILESTONES TRUST

England & Wales - Charity number 294377

Accounts

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2025**



Unit 10, Eclipse Office Park, High Street, Staple Hill, Bristol BS16 5EL

Telephone: (0117) 970 9300 Fax: (0117) 970 9301

Company number 02011021 Charity number 294377

www.milestonetrust.org.uk

MILESTONES TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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MILESTONES TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Registered office and principal address:

Unit 10, Eclipse Office Park
High Street, Staple Hill
Bristol BS16 5EL

Trustees and directors:

| | |
|---------------------------------------|---------------------------------------|
| D Nordberg (Chair) | D D Wilson (resigned 15 January 2025) |
| S Cummings | T S Jenkinson |
| S J Jones | D B Sarpong |
| S U Begum (resigned 24 February 2025) | N G Baines-Thomas |
| D F Elder (resigned 31 August 2025) | P Lock |
| J Lawry | L Brown (appointed 23 June 2025) |
| K L Dominy (appointed 23 June 2025) | |

Secretary:

H A Pearce

Key Management Personnel:

H Crowhurst - Chief Executive
H A Pearce - Director of Finance
J Parry - Director of Operations
G Meehan - Director of Human Resources (resigned 31 May 2024)
I Payne – Director of People & Culture (appointed 29 July 2024)
W Osborne - Director of Business Development (resigned 18 August 2025)
Q Khan - Director of Estates, Facilities & IT

Auditor:

Forvis Mazars LLP
Floor 8, Assembly C, Cheese Lane
Bristol BS2 0JJ

Solicitors:

RWK Goodman
Midland Bridge House, Midland Bridge Road
Bath BA2 3FP

Lyons Davidson
43 Queens Square, Bristol BS1 4QP

Veale Wasbrough Vizards LLP (VWV)
Narrow Quay House, Narrow Quay
Bristol, BS1 4QA

Bankers:

National Westminster Bank
Floor 2, Trinity Quay 2, Avon Street
Bristol BS2 0PT

Investment advisors:

Barclays Wealth Management
1 Churchill Place, Canary Wharf
London E14 5HP

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

Reference and administrative details

This Annual Report forms the Trustees' report for the purposes of Section 162 of the Charities Act 2011 and the Directors' report for the purposes of Chapter 5 of Part 15 of the Companies Act 2006. It also includes the Strategic Report required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006 and the Accounting and Reporting by Charities: Statement of Recommended Practice in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The Trust is a company limited by guarantee (number 02011021) and a registered charity (number 294377). The details of Trustees, senior staff and professional advisors engaged by the Trust are set out on page 1.

Structure, Governance and Management

Milestones Trust has been very fortunate in recent years to have found Trustees with a wide range of knowledge and experience, in the sector and from outside it. As some Trustees have retired, new Trustees have joined, and continue to join, bringing new perspectives and backgrounds. This section of the report outlines the formal, structural elements of governance, how the Trust navigates the challenges that are ever present in social care and how it develops and shapes future strategy.

Milestones Trust is governed by the terms of its Principal Trust Deed and its Articles of Association. The Trust was incorporated on 16 April 1986. The Articles were revised and updated on 9th July 2018.

As set out in the Articles of Association, the Board of Trustees (who are directors for the purpose of company law) consist of no less than five members and no more than fifteen. All Trustees are appointed by resolution.

The term of office for a Trustee shall be three years, at the end of which they shall retire. A Trustee shall be eligible for reappointment by the Trustees for up-to a further two terms, each of three years. No Trustee shall serve for more than 9 consecutive years, unless the Trustees consider it would be in the best interest of the Trust for a particular Trustee to continue to serve beyond that point and that Trustee is reappointed in accordance with the Articles. The Board currently numbers 10.

Trustees are sought in a variety of ways to ensure that collectively they have the range of skills and experience required to govern a health and social care charity with a turnover in the region of £40 million. This means Trustees come from all walks of life, some with experience of health and social care, and some with experience of business or law or property management or human resources management. Regular skills audits are conducted to guide the recruitment of new Trustees. In recent years the Trust has specifically used recruitment agencies specialising in business/executive recruitment to augment the skills and experience of the Trustees, as well as advertising locally and nationally. The Trust also aims to have a diverse membership with Trustees being representative of the communities in which we support people, wherever possible. Following the merger on 1st November 2024 trustees of the White Horse Care Trust were invited to put themselves forward for trustee roles at Milestones, however none wished to do so.

All Trustees undertake an induction, including an awareness of their governance responsibilities. Trustees are also offered the opportunity to attend other relevant training courses. The Trustees meet at least four times a year as a Board, as well as participating on committees. The committees are: Support & Development, Finance & Resources, and Governance & Risk. All committees meet several times a year and report to the Board. The primary roles of these committees are scrutiny and development of the future direction of the Trust, and their work and advice inform Board decisions. The Board commissioned an external evaluation of its effectiveness in 2024, the results of which were very positive overall. The results were presented to the whole board at an away day in January 2025, and the recommendations for further improvements are being reviewed by the Governance & Risk committee.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

The day-to-day running of the Trust is delegated to the Chief Executive, who exercises executive responsibility within a scheme of delegation to the Executive Management Team (Exec). The Exec is held accountable for the successful implementation of business plans, maintenance of standards, and financial management of the Trust. Their collective experience has proved invaluable in meeting the on-going challenges of operating in the social care sector,

Our membership of VODG (Voluntary Organisation for Disability Groups) and Care & Support West, a regional organisation of service providers, assist the Trust to lobby on national and local policy issues which affect it strategically and operationally. The Trust has also recently joined Wiltshire Care Partnership, another regional organisation of service providers covering our new Swindon and Wiltshire based services.

The Trust's key partnerships are with the local authorities, namely Bristol, South Gloucestershire, North Somerset, Wiltshire and Swindon, and the healthcare partnership organisations Integrated Care Boards (ICBs). The two ICBs we work with are those of Bristol, North Somerset and South Gloucestershire (BNSSG) and of Bath & North-East Somerset, Swindon and Wiltshire (BSW). These authorities commission a significant proportion of the Trust's services, and these relationships are strong, enabling close partnership working.

Objectives and Activities

The Trust's objective, set out in the Articles of Association, is 'to promote and protect the health and wellbeing of people with autism, cognitive impairment, dementia or other mental or related health needs by providing nursing, social care, accommodation, education, training and support'.

Vision & Mission Statement

Milestones Trust's vision is that people have opportunities to live happy and fulfilled lives.

The mission is: 'to achieve our vision by promoting health, wellbeing, independence and engagement for people living with learning disabilities, mental health needs and dementia'.

The Trust's core values can be found on the Trust's website (www.milestonetrust.org.uk).

Merger with White Horse Care Trust

We reported last year about the intended merger with White Horse Care Trust - a charity that supported adults with learning disabilities and autism, based primarily in Swindon and Wiltshire. The two organisations had a shared history, provide similar services and have closely aligned values.

We were confident that the combined organisations would be stronger together, providing opportunities to:

- Share our learning and expertise.
- Reduce central support costs, ensuring the financial sustainability of the services we provide to the people we support.

The merger took place in November 2024 with White Horse Care Trust becoming part of Milestones Trust, and we are pleased to report that the merger went well, and that the perceived benefits of bringing the two organisations together are being realised.

Following the merger, our strategic growth strategy will identify target locations and areas to help integrate our services across the differing locations. We have already opened a new supported living service in Swindon.

Strategic Plan

During 2022 and early 2023 the Trust developed its Strategy for 2022 – 2026, and this was approved by the Board in March 2023. The Trust is now in the last year of this Strategy.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

Strategic Focus for 2025/26

The three key areas for focus in 2025/26 continue to be:

- Improve the quality and impact of our support.
- Develop our organisational culture.
- Grow as a strong organisation.

Milestones Trust supports people with learning disabilities and enduring mental health needs and offers a range of support in residential and nursing care, supported living, short breaks and day opportunities. During the year the Trust merged with White Horse Care Trust and the numbers quoted below are for the new, larger, Milestones Trust. Nursing and residential care is offered in 35 homes serving 271 people. The homes range from small domestic properties accommodating 4 or 5 people, to some larger specialist nursing homes registered for 18 or 21 people. Of these 35 homes, the Trust owns 29; the remainder are leased from housing associations or local councils.

The Trust operates 47 Supported Living services, a mix of support with accommodation (40 services) and care packages to people in their own homes (7 services), plus numerous smaller individual packages. Of the supported living accommodation, 13 properties are owned by the Trust, the remainder are leased from housing associations or local councils. Promoting independence has always been one of the Trust's aims and enabling people to gain increased rights (and responsibilities) by becoming tenants is an important positive step on this journey. Around 200 people are supported to live the life they choose through these services.

The Trust also supports circa 50 people to access day opportunities in our "Stepping Forward" services which operate from two bases, one in Bristol and one in South Gloucestershire. Although numbers fluctuate, approximately a further 90 people access our short breaks services. The total number of people supported by the Trust therefore is circa 610.

All the Trust's services are rated good or outstanding by CQC, a significant achievement, yet the Trust strives to further improve quality and the impact of our support for the people we support.

Public Benefit

We have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

The principal means by which the Trust provides opportunities for those who cannot afford the fees for our services is through the provision of support to people funded/part funded by local or health authorities.

We are also furthering the mission and aims of the Trust through the provision of services over and above those funded by public contracts through donations from grant making Trusts and Foundations, corporate partners and grants awarded by local and national government departments. We organise community events that promote the inclusion of beneficiaries with their fellow citizens and encourage neighbours/neighbourhoods to attend 'fun' events that help break down prejudices/barriers to social inclusion. Our arts activities, which are currently being revised and relaunched, will continue to provide people we support with opportunities to explore their creativity and be part of their local communities. Our 'Warmley Wheelers' initiative offers accessible bikes so people with varying abilities are able to enjoy cycling. We also support music sessions under the banner of 'Music Train' which encourage participation, and sponsorship, from the wider community.

We work with other organisations to participate in local and national networks to promote/highlight the needs of our beneficiaries and, where possible, support beneficiaries to advocate/participate themselves.

STRATEGIC REPORT

Achievements and Performance

The Trust publishes an Annual Review (available on our website, www.milestonetrust.org.uk) that illustrates the achievements of the people we support and our staff. It illustrates how the Trust “lives” its values.

The Health and Social Care environment has always been a demanding one, and for several years the specific challenges of recruitment and retention led to high agency use and significant overspends in staff spending for the Trust. In 2023/24 we reported the start of a real improvement in this area and for 2024/25 we are very pleased that our various initiatives have improved still further our recruitment and retention, and our agency spend is now the lowest it has been in many years, a significant factor in our reported surplus for the year. The level of void beds in some services did have an impact on our reported surplus however, but speedy actions to tackle these challenges steadied the position towards the end of the year.

Alongside this, the Trust has had some significant achievements against the actions it identified for 2024/25. The Trust recently published its annual ‘we said, we did’ update for all staff demonstrating these achievements under each of our strategic priority areas. In summary our achievements were:

The Quality and Impact of our Support:

- The implementation of our co-produced **Involvement Strategy** progressed with our CEO sharing and discussing our organisational strategy with our people we support forum, Voices 4 Choice (V4C). We held a formal celebration to mark V4C 10th anniversary, we asked them how best to welcome and involve people we support from our new Swindon and Wiltshire services and V4C planned and hosted a welcome party for them and are also planning to trial virtual meetings to involve them in future meetings.
- The introduction of our new **medicines management system**, eMar. We worked with external consultants to involve a large number of staff from across the Trust to choose the right system for us. We rolled out training, found chemist shops and pharmacies willing to work with the system and then started the roll out of the eMar system, which completed in July 2025.
- The continuation of the rollout of our **digital support planning** system. We completed the rollout by November 2024, working with services to ensure that the ‘roadmap’ of risk assessments, support plans and daily records were put in place. We began to pilot the Family Portal, so that families can be more involved in the lives of people who want them to be, and we agreed to invest in the Analytics package which will mean we can track, monitor and improve outcomes for everyone we support.
- We continued to invest reserves in our **modernisation programme**, which began in 2023/24 with the repurposing of an outdated mental health service at Graeme Close, turning it into modern flats for people with learning disabilities in transition. This year, we closed our learning disability service at London Road and refurbished and relaunched it in April 2025 as a mental health service for people being discharged from hospital. In June 2025 we closed our nursing home at Kilvie House, where the building was no longer able to meet people’s needs, and have begun the process of transforming it into a modern and vibrant set of flats for people with learning disabilities. We have also begun the process of closing our outdated service at Cleeve Hill, which will relaunch next year as a shared supported living setting for younger adults with a learning disability.
- Safeguarding the adults we support from harm or abuse is a key priority, and this year, we updated the way in which safeguarding alerts are recorded. This has included the introduction of a Power BI dashboard, giving senior managers detailed metrics to enable individual incidents to be responded to quickly and effectively, and patterns and trends identified. We also introduced an **organisational safeguarding audit**, drawing upon guidance issued by South Glos Safeguarding Adults Board. This has

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

helped identify any services which may be at risk of developing aversive or institutional cultures, and all services scoring below 85% have an action plan.

We also continued our focus on maintaining quality, and **for the fourth year in a row we are pleased to report that 100% of our registered settings are rated as good or outstanding.** Our internal audit processes are well established and give focused support to services as we embrace the CQC's new single assessment framework approach. As part of our ongoing determination to introduce and embed digital innovation, quality data is now available as a Power BI dashboard. This means service and senior operational managers can identify areas of risk, check progress on allocated improvement tasks and support managers towards continual improvement.

The Trust currently supports 24 active volunteers with 7 pending placements and has seen improved retention rates compared to the previous years despite a drop in overall figures from last year. This is in line with national sector trends, which have recorded the lowest national volunteering rate to date. Warmley Wheelers remains the largest consumer of volunteer hours, 56 hour per week, which has enabled the community project to increase service delivery as a result. Corporate volunteering saw a decline in team days, highlighting the need for more focused relationship building with our corporate partners. As a result of this the Trust has developed a comprehensive **Volunteering Strategy** for 2025–2028, grounded in sector-wide analysis, internal performance review, and stakeholder consultation, with a clear vision as to what we want to achieve, improving the lives of people we support and expanding our offer into Bath and North-East Somerset (B&NES), Swindon and Wiltshire.

Our People, Culture and Organisational Development:

- The further development of our **recruitment and retention initiatives**, focusing on hard to fill roles and decreasing even further our reliance on agency cover. We reduced staff vacancies from 9.3% in April 2024 to 4% in March 2025, agency reduced from 13% of pay costs in March 2023 to currently just 4% of total pay costs (an overall reduction of 83% over past two years) and we moved pay for everyone across the Trust to the Real Living Wage.

The transformation of our approach to **managing referrals** and the implementation of a state-of-art **CRM system**. We created a new Referral Manager role to closely support operational managers to fill voids, and we introduced a new CRM system which has enabled us to monitor voids closely, report on occupancy and track 'unmet' need.

- The development of our **employee voice**, ensuring our staff feel they are represented and listened to at the highest levels. We listened to and acted upon the natural concerns and uncertainties of colleagues in Swindon and Wiltshire services as they merged with the Trust. We brought together a group of staff from across the Trust to monitor progress on actions from the staff survey, and we appointed a Director of People and Culture with a remit to focus on developing our staff voice. We also developed a leadership programme designed to enable all leaders to work with their teams to ensure that decisions are made as close as possible to where they will make an impact – closely involving their teams.
- **We maintained** our successful rota and budget management achieved in the previous year. We rolled out our people management system to the new Swindon and Wiltshire services and gave Power Bi dashboards to most services, allowing them to track their spending on staff more closely. Management colleagues from B&NES, Swindon and Wiltshire were also introduced to our budgeting and financial monitoring systems.

Our information governance and IT Teams continued to support colleagues and projects across the Trust to ensure **we harnessed the benefits of technology without compromising data security**. Both teams excelled again in this collaborative work as they supported the eMAR project. Our Information Governance Group met regularly, ensuring oversight of data protection issues (including through feedback reports from the consultants) and a clear line to the Executive Team and Trustees, leading on Process Reviews (leading to improved practices) and Data Protection Impact Assessments on new systems.

In June we submitted our Data Security Protection Toolkit (DSPT), achieving 'Standards Met' again, this time encompassing our Swindon and Wilts services. **Cyber security and business continuity** were key IT priorities

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along with preparations for Cyber Essentials accreditation. Network devices continue to receive regular security patches. Our End User Computing project has now finished, all Trust laptops and PCs are now on Windows 11, are fully managed and encrypted providing reassurance and security, this includes the entire digital estate of our Swindon and Wiltshire services inherited following the merger. This year we have also introduced Single Sign On (SSO) across many of our core systems, improving the security posture of those systems and enabling a streamlined leavers process to protect trust data. One server has been upgraded to ensure it remains in support of security updates and patches; three servers have also been decommissioned as we prepare to exit the data centre entirely in the next couple of years.

A Strong and Growing Organisation:

- **We invested reserves in differing growth models** that can produce tangible outcomes to help achieve our mission. We invested in developing an outdated large care home into a new innovate transition service for eight people, and we began a modernisation programme to develop other outdated services. We also developed relationships and gained formal accreditation with housing providers operating in our new Swindon and Wiltshire area which facilitated the launch of a new supported living service in Swindon and laying the foundation for future growth.
- Alongside this we continued **to review demand for our existing services**, changes to specialisms, service models or the physical infrastructure of buildings in order to **continue to provide modern, effective, and desirable services**. We will continue to invest in our staff to ensure they are able to meet the changing needs of people needing services, and in our buildings to ensure they are fit for the future.
- **We developed and implemented a Strategy for Growth** to place the Trust in a strong position for future success and long-term sustainability. **We successfully achieved a merger** with the White Horse Care Trust on 1st November 2024, which saw the Trust's income increase by 33% per annum. We also began the implementation of our growth strategy, which was approved by Trustees in January 2025.
- **We invested in our Community Projects** to help them become self-funding and increase their impact while boosting social value. We appointed new leadership for Warmley Wheelers who work closely with our fundraising coordinator, and our Music Train project self-funded over 150 live music events reaching almost 10,000 people in our local area as well as expanding into our new Swindon and Wiltshire footprint. We temporarily closed our Expressions art project which had become financially unsustainable and will relaunch that as a new sustainable project that will enhance our community integration in future months.
- **We developed more step-down services** for adults with complex mental health needs. We opened two small services as 'move on' options for some of the existing people we support and also redeveloped care home into a step down from hospital service which opened in April 2025.
- **We introduced a focused approach to competitive tender** opportunities aligned to our **Growth Strategy**. We were successful in a competitive tender to secure a new five-year contract to deliver support at a new-build supported living scheme and also secured additional five-year contracts for two other existing services. We were admitted onto the Wiltshire and Swindon frameworks and another successful competitive tender win enabled us to deliver in Bath for the first time.

We received over £96,000 through grants, donations, legacies and project or service-based fundraising endeavours. We developed our **Fundraising Strategy** outlining the need to diversify and maximise income in response to the declining availability of grants and the increasing competition for funding. The main objectives are to sustain grant income and develop a corporate fundraising programme to enhance the Trust's unrestricted income while creating valuable partnerships within our local community. In June 2025 our new Warmley Wheelers coordinators took on a fundraising challenge cycling 92km visiting all our registered services on a side-by-side tandem bike.

We successfully held our second gala dinner format **Extra Mile & Long Service Awards** ceremony raising over £7.5k from corporate sponsors to fund the event attracting many award nominations and attendees from Swindon and

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Wiltshire colleagues. We also developed a compelling annual review video, rolled out a comprehensive communications plan to support the merger ensuring new colleagues were kept informed on all new processes, grew our social media followers by posting regular and engaging content and also positioned Milestones by supporting national lobbying associations to raise the profile of adult social care.

Financial Review

The majority of the Trust's income consists of contract income from Local Authorities and local health commissioners.

2024/25 was another positive year financially, with recruitment, staff retention and reliance on agency all continuing to be very well managed. We continued to invest in our systems and management information, and the income losses experienced in the first half of 2024/25 from higher-than-normal void beds was tackled and the year finished on a much steadier state. The growth from the merger with White Horse Care Trust also contributed financially to the bottom line, recouping the costs of just over £200k expended to achieve it. Most significantly, the assets exceeded the liabilities of the acquired charity by £2,876,661 and this is shown as a donation to the Trust on the Statement of Financial Activities (further explanation in Note 22). The results therefore show an operational surplus generated for the year of £3,479,929. Other factors were the investment of over £180k on the Trust's Information Technology strategy, and the profit on sale of one property of £459,337.

While our financial investment portfolio lost £7k in a volatile year, overall, the statement of financial activities shows a surplus of £3,473,176 (2024 surplus £1,555,915). The Statement of Cash Flows on page 23 reflects the performance for the year.

The Trust has been able to set a reasonable operational surplus budget for 2025/26, despite the significant increased costs of employer's national insurance contributions imposed by the government. The growth achieved in 2024/25, particularly as a result of the merger with White Horse Care Trust, has strengthened the Balance Sheet and the general financial robustness of the Trust putting us in a sound position to navigate the uncertain waters that lie ahead for the social care sector, and is confident of achieving a surplus in 2025/26.

Demand for Trust services and the underlying Trust Balance Sheet remain sound. The Trust also increased its funds by acquiring the net assets of White Horse Care Trust of £2.877m and repaid their bank loans of £937k. As of 31 March 2025, Net Current Assets stood at £5,728,353 (2024: £5,375,284), and Net Total Assets were £24,310,664 (2024: £20,837,487). The Trust is also clear of debt with no outstanding loans or mortgages.

The importance of maintaining reserves and safeguarding the Trust's financial position continue to underpin our strategy for 2022 – 2026 and is vital to the wellbeing of all the people we support now, and hope to support in the future, as well as to our staff.

Fundraising costs of £59,959 (see Note 9) relate primarily to the internal Trust costs attributed to supporting this function. During 2024/25 grants and donations of £280,955 were received, of which £121,748 were restricted, having been donated for specific purposes (see Note 3).

Reserves policy

The reserves policy will always seek to reflect the reality of the operating environment of the social care sector, as well as challenges or ambitions of the Trust. It will reflect the annual plan and strategy, as well as the organisational, strategic and major risks register.

The Finance & Resources Committee (FRC) annually reviews both the policy, to assess its relevance and effectiveness, and various elements of the organisation's risk profile to ensure that reserves targets are appropriate to the current circumstances. Any changes are recommended to the Trustees.

After the most recent review, following the merger with White Horse Care Trust, the FRC concluded that a risk-based

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

reserves policy was still the most appropriate (as opposed to an actuarial/returns-based policy) for the Trust. The policy is based on a specific, tailored, risk-based approach which assesses what level of free reserves the Trust thinks is appropriate, and why.

In devising a tailored risk-based reserves policy, we have identified the elements of reserves that we wish to provide for and have established an appropriate value range for each. The reserve elements identified are:

- Working Capital.
- Organisational Change Management Support Fund.
- Investment/Innovation Fund.
- Property Investment.
- Operating Risk. This is in 3 strands:
 - Emergency cover to provide for one or more catastrophic events.
 - A provision for the various risks identified throughout the organisation which could impact on the delivery of the strategy (monitored via a risk register).
 - Financial performance, acknowledging the risks of managing against budget in a volatile market.

In consideration of the above risk elements and following the growth from the merger, the Trustees determined an appropriate reserves target lay in the range of £7m to £12.5m (increased from £6.5m to £12.25m from the previous year). The target range was achieved with reserves of £8.5m million as of 31 March 2025. Reserves are here defined as those Unrestricted Income Funds not invested in land and buildings and other tangible fixed assets (i.e., 'free' reserves). In view of the ongoing sector trading conditions the policy also defines a minimum (or critical) reserves level of £4m (increased from £3.5m from the previous year), and the reserves held well exceeded this critical-reserves level.

The Trust will be continuing to invest in its IT strategy and Trustees have agreed to commit from reserves (investment/innovation fund) the funds necessary to continue this into 2025/26. The sale of a property that was not fit for purpose in the year added to the Trusts reserves by just under £500k. The Trust spent reserves in the merger with White Horse Care Trust of over £200k on resourcing and legal fees, and also £937k to repay bank loans.

Investment Policy and Investment Portfolio Performance

The Trust holds an investment in the Barclays Managed Charities Fund. On a day-to-day basis the fund is managed by professional fund managers who have an investment objective to grow the value of the capital in the longer term while adopting a moderate risk profile.

The Trust also has an agreed Investment Policy in place, which includes a treasury management policy. The Trust's investment portfolio, over the whole year saw an improvement and as of 31 March 2025, the total value of the portfolio was £2,902,521 (note 15) compared to £2,821,851 as at 31 March 2024. The Trust's policy is to reinvest interest earned back into the portfolio (this totalled £87,422 for the year).

The Trust invested surplus cash, in line with the treasury management policy, during the year in various short term money market deposits with both Natwest, Nationwide Building Society and HSBC. Total interest earned during the year was £128,814 (note 4).

Fundraising Policy

In its income generation activities Milestones Trust follows the requirements of charity legislation, money laundering and anti-corruption legislation and the standards promoted by the Fundraising Regulator and the Institute of Fundraising.

Milestones Trust therefore accepts financial support on the following conditions:

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

- The support can contribute to the Trust's charitable aims and objectives.
- The Trustees are satisfied that accepting such support will not cause adverse publicity which affects our standing in the community in which we operate, our ability to raise funds from other established supporters or which will be detrimental to our professional reputation as a service provider.
- The Trust may publicly acknowledge receipts of gifts or volunteered services, but it will not endorse or approve the services of any company, in particular those associated with its work (undertakers, solicitors etc.), whether in return for financial or other support or not.
- The Trust will not sell any of its databases for any reason.

Risk Management

The major risks to which the charity is exposed, as identified by Trustees, have been reviewed and systems have been established to mitigate those risks, and these risks and systems are reviewed regularly by Trustees. Some risks can be mitigated by insurance and the observance of policies and procedures, whilst others require the establishment of a level of reserves.

General risk

The Trust has continued to review and respond to developing risks, and the process of risk management in the Trust has undergone further focused work designed to improve the overall management of risks and Trustee oversight, under the direction of the Governance and Risk Committee.

Insurances (including Business Continuity cover) are maintained and reviewed annually to ensure they meet the needs of the business and were extended last year to cover cyber security risks. Business continuity planning is also maintained at a Trust-wide and service/home level.

While the principal risks facing the sector continue to relate to the consequences of the financial constraints upon the public sector funding of health and social care, exacerbated by the recent government imposed increase in employers national insurance costs, and the continued social care staffing crisis, the Trust's strategies for dealing with these risks have mitigated them to some degree, as evidenced by the Trust's much improved financial performance last year and current year. The Trust is continually vigilant however to these risks and is also working on strategies to mitigate other key risks, such as our service provision becoming outdated leading to unplanned shrinkage. Service models must adapt and match what people supported, families and carers, and commissioners want and need. Our Achievements and Performance gives examples of what we have already done, and Plans for the Future describe how we will continue to progress this.

Going Concern

The Trustees will ensure appropriate resources are available such as may be required, to enable day to day working capital requirements to be met for a period of at least 12 months from the date of approval of these financial statements.

The care sector faces the impact of increased pay costs as a result of the changes to employers national insurance contributions from April 2025, which comes hot on the heels of the cost-of-living crisis, but through the actions taken to manage and reduce costs, and optimise the use of resources, as described in this report, and the growth achieved during the year through the merger with White Horse Care Trust, the current position for the Trust is an optimistic one. The Trust maintained the financial turnaround achieved in the previous year, kept tight control of pay costs and focused attention on managing voids with new referrals processes and systems and the start of a service modernisation programme, and the 2024/25 results have been reasonably good.

Continued regular monthly reporting and forecasting, tight budget control and swift actions to tackle new risk areas, have led to the Trustees' conclusion that the long-term impact on the Trust should be modest. Therefore, the Trustees

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

anticipate that Milestones will continue to operate within its current financial projections and be able to tolerate a reasonable level of unforeseen circumstance.

Plans for the future: Developing our 2026-onwards strategy

Our current strategy runs from 2022 – 2026 and was based on three essential areas which we needed to develop to ensure a strong and sustainable organisation – we focused on turning around our finances, continuing to build on our quality, and developing our plans for growth. Together, we have achieved much of what we set out to do, which means that we are now well placed to face the future.

However, the sector is once again facing numerous challenges, and we know that the next few years will be difficult ones for social care. Our next strategy will be key to guiding us through those times.

For 2026 – 2030, we plan to focus on-

- Further developing the quality of our services – aligning our vision of people we support having happy and fulfilled lives with measurable outcomes
- Building skilled and motivated staff teams – continuing our journey to become an employer of choice
- Technology and innovation
- Targeted growth and the continuation of our modernisation agenda.

Plans are underway to consult with stakeholders across the Trust to ensure that we include all our skills and expertise as we develop a strong and inclusive strategy for the next four years. In the meantime, we also continue with the last year of our 2022-26 strategy:

Plans for the future: Our current strategy

Delivering responsive, reliable, high-quality, person-centred services has always been at the heart of our organisational strategy, and this continues.

While we continue to plan to work with people we support and other key stakeholders to develop new and creative models of service delivery that provide quality outcomes, we also recognise that our immediate priorities in this our last year of our 2022 – 2026 strategy are to **consolidate, modernise and maintain** the sustainability and quality of our current services.

An overarching priority for 2025/26 is to focus on consolidation following our merger with White Horse Care Trust. We welcomed 300 new colleagues and 70 new people we support in November 2024. Fully embedding and integrating those services and people is a top priority for us.

We also have other areas of activity to work on in 2025/26 and these are noted below, grouped under the original key strategic priority area headings

The quality and impact of our support:

We will:

- Continue to roll out our ambitious **Involvement Strategy**, working closely with our user group, Voices 4 Choice, ensuring they are closely involved in the development of our new strategy.
- Bring together and harmonise our **digital support planning** system, which is also used by our new Swindon and Wiltshire colleagues. Now that digital support planning is in place across the Trust, we will prioritise work on ensuring that we include and measure outcomes that are important to everyone we

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

support.

- Continue to embed our **medication management system**, across the organisation.
- Relaunch our **Volunteering Strategy** recognising the key role that our volunteers play across the Trust.
- Roll out the improved **safeguarding recording process**, initially to senior managers but over the year will embed the new processes and dashboard for services as well.

The modernisation of management information systems, including training compliance and safeguarding described earlier, will continue to transform the ability of managers to monitor and intervene quickly to improve safety and quality. This year saw the introduction of the **quality dashboard**, making granular detail on audit outcomes available to relevant managers.

Our people, culture and organisational development

We will:

- Align the **culture** to the mission of the Trust and measures of success and embed it through clear cultural expectation accompanied with the behaviour norms every team will exhibit.
- Implement the Trust's **reward and recognition strategy**, and update our employment policies and approaches, aligned to the culture we want.
- Implement the Trust's **resourcing strategy**, focusing on 5 key strategies covering compliance, developing our existing staff, working with external partners, attraction proposition and retention. We are closely monitoring the recently announced immigration changes, and the new strategy aims to diversify sources of recruitment given the likely reduction in eligible overseas workers.
- Hold a **Leadership Conference** in November 2025 at which the culture and behaviour expectations will be launched accompanied with positive aligned actions.
- Continually **listen to** our employees and people we support, through representative groups covering Trade Union representation, addressing bullying and harassment, diversity equity and inclusion and regularly meeting with People we Support. This ensures feedback from key stakeholders is listened to at the highest levels and acted on.
- Implement our bespoke **leadership programme** to accompany the launch of the Trusts new strategy and the culture and behaviour expectations. The programme will support managers in the effective leadership of their teams aligned to the performance and cultural expectations of the Trust.

A strong and growing organisation

We will:

- Continue to ensure that we provide services that are modern, effective, and meet the needs of commissioners and the people we support. We will continue to assess demand for our services and will make changes as necessary to ensure that we meet people's needs and expectations. To this end, we will continue to **modernise our current services, investing reserves** to transform outdated services into modern and desirable services.
- Continue to implement our **Growth Strategy** that will place the Trust in a strong position for future success and long-term sustainability. Our ambition is not to expand beyond our current geographical boundaries, but to increase our density of services within the six local authorities we now work with.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

- Relaunch our **arts activities** in a financially sustainable way to provide people we support with opportunities to explore their creativity and be part of their local communities.

Other notable actions for the coming year are these:

- Developing an **Active Property Management Strategy** will focus decision making on where, when and how we invest in property. This was an activity planned for 2024/25, but the merger meant that we could not focus on this piece of work. With a new department structure now in place in Estates and Facilities with additional expertise and resource, we will now be able to progress this and also include the information from our condition surveys on all our new Swindon and Wiltshire properties. We will also continue to explore partnership arrangements with housing associations and private landlords to source new properties where the Trust would provide support, where that is appropriate.
- The Information Governance Annual Report will contain a workplan for the coming year which will include maximising collaboration of personal data risk management, and the use of **Artificial Intelligence (AI)**. Annual data centre disaster recovery rehearsals and external penetration tests are also scheduled. We have inherited numerous contracts and technologies following the merger, many of these did not meet Milestones requirements for data protection and security, we will continue to integrate technologies into our existing infrastructure to ensure access to systems and hardware meet our requirements. Decommissioning of five servers planned in preparation for exiting the data centre.

Employment policies

Milestones Trust promotes equal opportunities and celebrates diversity within all areas of its work, and it works in partnership with SARI, a specialist charity, which provides the organisation with expert support and advice. The Trust has policies in place to ensure that employees are consulted and provided with appropriate information in order that they are fully involved in the organisation's performance and are aware of its future direction.

The Trust is externally accredited as a Disability Confident organisation. Our policies and procedures fully support disabled colleagues to gain and retain employment with us. It is the policy of the Trust that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Appropriate external and internal training is provided when implementing policies and is ongoing to ensure that new managers have the appropriate knowledge and skills to manage in accordance with the Trust's culture. Trust-wide communication tools are in place for information sharing of specific strategic initiatives or projects. We also produce a quarterly magazine, 'One Trust', for all our staff and the people we support.

The Trust operates an open culture and the Chief Executive and the Exec team, as well as Trustees, regularly visit homes and services and encourage staff to open channels of communication through Dayforce Hub. The Trust has a recognition agreement with Unison and consultation takes place regarding matters relating to pay and conditions of employment.

The Trust's pay strategy is set by the Board, including the remuneration of the CEO and the approach to pay awards is considered as part of budget setting, taking into account regional and sector benchmarking and financial parameters.

The Trust undertakes employee engagement surveys and enables employee voice across the organisation and cross functional working groups to focus on different areas of the employee lifecycle.

Streamlined energy and carbon reporting (SECR)

The table below represents the Trust's energy consumption and emissions for the year ended 31 March 2025. This is the Trust's fourth SECR disclosure, and the results reflect the growth during the year from the merger.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

| | 2025 | 2024 |
|---|------------------|------------------|
| Energy consumption used to calculate emissions | kWh | kWh |
| Natural gas | 4,046,353 | 3,252,552 |
| Electricity | 1,282,277 | 1,074,993 |
| Oil | 20,467 | 0 |
| Vehicles | 383,887 | 324,957 |
| Total energy consumption (kWh) | <u>5,732,984</u> | <u>4,652,502</u> |
| Scope 1 emissions in metric tonnes CO2e | tCO2e | tCO2e |
| Natural gas | 738.82 | 594.99 |
| Vehicles | 106.91 | 73.90 |
| Oil | 31.82 | 0 |
| Scope 2 emissions in metric tonnes CO2e | | |
| Electricity | 259.78 | 222.60 |
| Total gross emissions in metric tonnes CO2e | <u>1,137.33</u> | <u>891.49</u> |
| Intensity ratio tCO2e per average FTE employee | <u>1.23</u> | <u>1.38</u> |

We have used the key performance indicator of energy consumption per average FTE as the Trust's key activities are driven by the level of support required for individuals with learning disabilities and mental health needs, which directly drives the number of employees and the consumption of energy by those employees.

SECR methodology statement

Emissions have been grouped according to the GHG Protocol Corporate standard.

We have used the following data sources for the report:

- Natural gas, electricity and LPG - energy supplier billing data.
- Vehicle fuel - litres purchased (fuel cards) using average prices & mileage reimbursed to employees using average consumption rates and average prices.

CO2 emissions have been calculated from UK government GHG conversion factors for company reporting 2025 (as published by DESNR).

Energy efficient action taken in the reporting period:

- The LED replacement lighting project completed as planned and is now being extended to our Swindon and Wiltshire properties.
- We are actively looking at piloting heat pumps as alternative source of heating and solar panel installations.
- We are looking at options for installation of EV charging points at head office and at some services.
- We have decided that all new refurbishment developments will have alternative sources of heating and solar panels where financially viable
- We also continue to actively engage staff via surveys to contribute to the carbon reduction plans of the Trust.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

Section 172 Companies Act 2006

The Board of Trustees must act in the Trust's best interests to ensure the delivery of its charitable objectives. The Trustees' role is to oversee the overall management of the Trust, whilst the Exec manage the day-to-day operations. Further details of the structure of the Board are given earlier in this report in the 'Structure, Governance and Management' section.

The Trustees, when making decisions, act in good faith and will promote and support actions that are in the best interest of the Trust and its stakeholders, with a focus on, but not limited to, the following key decision-making areas:

- a) The interests and wellbeing of the Trust's employees; please see the 'employment policies' section for further details.
- b) The need to foster the Trust's business relationships with customers, suppliers, and others; throughout this report there are many examples of how we involve and work with the people we support, volunteers, donors, commissioners, and key suppliers.
- c) The impact of the Trust's operations on the wider community and environment; the 'Structure, Governance and Management' section refers to how we play an active role with our Health and Social Care Communities and our memberships of disability groups such as VODG.
- d) The desirability of the Trust maintaining a reputation for high standards of business conduct and quality, as noted earlier in this report, the Trust is proud that 100% of our services are rated good or outstanding by CQC.

In adhering to the requirements of S172, the Trustees pay close attention to the above stakeholders and any other party whose interests are relevant to the decision-making process.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Milestones Trust for the purposes of Company Law) are responsible for preparing the Strategic Report, Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing those financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP 2015.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charitable parent company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' Report (incorporating the Strategic Report) was approved by the Board on 29 September 2025 and signed on its behalf by



D Nordberg
Chair

MILESTONES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

Opinion

We have audited the financial statements of Milestones Trust for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

MILESTONES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

MILESTONES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

MILESTONES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

Use of the audit report

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



Jonathan Marchant (Sep 30, 2025 15:03:55 GMT+1)

Jonathan Marchant (Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

8th Floor, Assembly Building C

Cheese Lane

Bristol

BS2 0JJ

Date: 30/09/2025

MILESTONES TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2025

| | Notes | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total 2025 £ | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total 2024 £ |
|--|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| INCOME FROM | | | | | | | |
| Donations and legacies | 3 | 159,207 | 121,748 | 280,955 | 60,450 | 157,974 | 218,424 |
| Other trading activities | | 23,817 | - | 23,817 | 7,370 | - | 7,370 |
| Income from investments | 4 | 128,814 | - | 128,814 | 151,867 | - | 151,867 |
| Incoming resources from charitable activities | 5 | 37,261,257 | - | 37,261,257 | 31,505,962 | - | 31,505,962 |
| Reinvested Investment Interest | | 87,422 | - | 87,422 | 80,926 | - | 80,926 |
| Surplus on disposal of fixed assets | | 459,337 | - | 459,337 | 597,973 | - | 597,973 |
| Merger gain (donation) | 22 | 2,876,661 | - | 2,876,661 | - | - | - |
| TOTAL INCOMING RESOURCES | | 40,996,516 | 121,748 | 41,118,264 | 32,404,548 | 157,974 | 32,562,522 |
| EXPENDITURE ON | | | | | | | |
| Raising funds | 9 | 59,959 | - | 59,959 | 46,140 | - | 46,140 |
| Charitable activities | 6 | 37,578,376 | - | 37,578,376 | 31,047,653 | 86,884 | 31,134,537 |
| TOTAL RESOURCES EXPENDED | | 37,638,335 | | 37,638,335 | 31,093,793 | 86,884 | 31,180,677 |
| NET INCOME/(EXPENDITURE) BEFORE OTHER RECOGNISED GAINS/(LOSSES) AND TRANSFERS | | 3,358,181 | 121,748 | 3,479,929 | 1,310,755 | 71,090 | 1,381,845 |
| Net gains/(losses) on investment assets | 15 | (6,753) | - | (6,753) | 174,070 | - | 174,070 |
| NET INCOME/(EXPENDITURE) | | 3,351,428 | 121,748 | 3,473,176 | 1,484,825 | 71,090 | 1,555,915 |
| Gross transfers between funds | | 73,334 | (73,334) | - | 83,281 | (83,281) | - |
| NET MOVEMENT IN FUNDS | | 3,424,762 | 48,414 | 3,473,176 | 1,568,106 | (12,191) | 1,555,915 |
| Total funds brought forward | | 18,455,270 | 2,382,217 | 20,837,487 | 16,887,164 | 2,394,408 | 19,281,572 |
| Total funds carried forward | | 21,880,032 | 2,430,631 | 24,310,664 | 18,455,270 | 2,382,217 | 20,837,487 |

All activities relate to continuing operations. The notes on pages 24 to 41 form part of these financial statements.

MILESTONES TRUST

COMPANY NUMBER 02011021

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

| | Notes | Unrestricted Income Fund 2025 £ | Restricted Funds 2025 £ | Total 2025 £ | Unrestricted Income Fund 2024 £ | Restricted Funds 2024 £ | Total 2024 £ |
|---|-------|---|----------------------------------|--------------------|---|----------------------------------|--------------------|
| FIXED ASSETS | | | | | | | |
| Tangible assets | 13 | 13,107,960 | 2,260,034 | 15,367,994 | 10,027,628 | 2,333,367 | 12,360,995 |
| Intangible assets | 14 | 322,267 | - | 322,267 | 284,217 | - | 284,217 |
| Investments | 15 | 2,902,521 | - | 2,902,521 | 2,821,851 | - | 2,821,851 |
| Total fixed assets | | 16,332,748 | 2,260,034 | 18,592,782 | 13,133,696 | 2,333,367 | 15,467,063 |
| CURRENT ASSETS | | | | | | | |
| Debtors | 16 | 2,594,833 | - | 2,594,833 | 1,803,664 | - | 1,803,664 |
| Cash at bank and in hand | | 5,290,591 | 170,595 | 5,461,186 | 6,157,696 | 48,850 | 6,206,546 |
| Total current assets | | 7,885,424 | 170,595 | 8,056,019 | 7,961,360 | 48,850 | 8,010,210 |
| CREDITORS: Amounts falling due within one year | 17 | (2,327,666) | - | (2,327,666) | (2,634,926) | - | (2,634,926) |
| Net current assets | | 5,557,758 | 170,595 | 5,728,353 | 5,326,434 | 48,850 | 5,375,284 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 21,890,504 | 2,430,631 | 24,321,134 | 18,460,130 | 2,382,217 | 20,842,348 |
| PROVISIONS for liabilities and charges | 19 | (10,469) | - | (10,469) | (4,860) | - | (4,860) |
| NET ASSETS | | 21,880,034 | 2,430,631 | 24,310,664 | 18,455,270 | 2,382,217 | 20,837,487 |
| FUNDS OF THE CHARITY | | | | | | | |
| Funds invested in fixed assets | | 13,430,227 | - | 13,430,227 | 10,311,844 | - | 10,311,844 |
| Investment revaluation reserve | | - | - | - | - | - | - |
| Funds available for use | | 8,449,808 | - | 8,449,808 | 8,143,426 | - | 8,143,426 |
| Unrestricted income funds | 23 | 21,880,034 | - | 21,880,034 | 18,455,270 | - | 18,455,270 |
| Restricted funds | 24 | - | 2,430,631 | 2,430,631 | - | 2,382,217 | 2,382,217 |
| TOTAL CHARITY FUNDS | | 21,880,034 | 2,430,631 | 24,310,664 | 18,455,270 | 2,382,217 | 20,837,487 |

Approved by the Board on 29 September 2025 and signed on its behalf by



D Nordberg
Chair

The notes on pages 24 to 41 form part of these financial statements.

MILESTONES TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

| | 2025 | 2024 |
|---|-----------|-------------|
| | £ | £ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net outgoing resources | 596,515 | 1,555,915 |
| Adjustments for: | | |
| Depreciation and amortisation | 551,609 | 456,516 |
| (Surplus) on sale of property, plant and equipment | (463,095) | (597,973) |
| Investments losses/(gains) | 6,752 | (174,071) |
| Investment income | (216,273) | (232,793) |
| Merger funds transferred (see note 22) | (80,821) | - |
| Decrease/(increase) in trade and other receivables | (791,169) | (158,725) |
| (Decrease)/increase in trade and other payables | (301,651) | 610,169 |
| Merger cash transfer | 492,073 | - |
| | ----- | ----- |
| | (206,024) | 1,459,093 |
| | ----- | ----- |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (47,854) | (1,156,706) |
| Purchase of intangibles | (176,152) | (156,585) |
| Proceeds on disposal of property, plant and equipment | 492,784 | 2,438,482 |
| Additions to investment funds | (87,422) | (80,926) |
| Interest received | 216,237 | 232,793 |
| | ----- | ----- |
| | 397,592 | 1,277,058 |
| | ----- | ----- |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Loan repayment | (936,929) | - |
| Finance lease repayments made | - | (9,072) |
| | ----- | ----- |
| | (936,929) | (9,072) |
| | ----- | ----- |
| NET (DECREASE) IN CASH AND CASH EQUIVALENTS | (745,360) | 2,727,025 |
| Cash and cash equivalents at the beginning of the year | 6,206,546 | 3,479,521 |
| | ----- | ----- |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 5,461,186 | 6,206,546 |
| | ===== | ===== |

ANALYSIS OF CHANGES IN NET DEBT

Cash is the only component of net debt, and there are therefore no changes other than as detailed above.

The notes on pages 24 to 41 form part of these financial statements.

COMPANY INFORMATION

The company is a private company, limited by guarantee and is incorporated in England & Wales. Its registered office address is Unit 10, Eclipse Office Park, High Street, Staple Hill, Bristol BS16 5EL. Milestones Trust meets the definition of a public benefit entity under FRS102.

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (“FRS 102”), and with the Companies Act 2006. They follow the recommendations in the Charities Statement of Recommended Practice (FRS 102). The Trustees have, in accordance with s.396 of the Companies Act 2006, departed from the standard format of the income and expenditure account in order to give a true and fair view and comply with the Statement of Recommended Practice.

The financial statements have been prepared on the historical cost basis except as specified in the accounting policies below. The financial statements are presented in Sterling (£) and are rounded to the nearest £.

Going concern

After reviewing the forecasts and projections, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Please see page 10 of the Trustees Report for more detail.

The Trust therefore continues to adopt the going concern basis in preparing its financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Costs of a capital nature are capitalised when they relate to new purchases of significant value. Direct replacements of assets such as white goods are treated as revenue expenditure.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method at the following rates:

| | |
|--------------------------------------|-----------|
| Freehold properties (excluding land) | 2% |
| Furniture, fittings and equipment | 10% - 20% |
| Motor vehicles | 20% |

Impairment reviews are conducted where there is some indication that impairment has occurred. Impairment losses are recognised to the extent that the carrying amount of an asset is considered to exceed its recoverable amount.

Due to the difficulty in identifying the large number of individual items of furniture, fittings and equipment, items of this nature are treated as disposed of in the financial statements once fully depreciated.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated so as to allocate the cost of intangibles less their estimated residual values over their estimated useful lives, using the straight-line method at the following rates:

| | |
|----------------------------|-----|
| Software development costs | 20% |
|----------------------------|-----|

Investments

Listed investments are valued at fair value, being their mid-market value at the balance sheet date.

Debtors and creditors

Debtors and short term creditors are measured at the transaction price.

Cash balances and financial instruments

Cash balances and basic financial instruments are initially accounted for at their transaction price except for financing transactions, including bank loans, which are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of financial activities on a straight-line basis over the term of the lease, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the accounting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a discount rate. The unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months. The provision is measured at the salary cost payable for the period of absence.

Restricted funds

These are earmarked by the donor or grantor, or the terms of an appeal, for specific purposes within the overall aims of the charity. The donation or grant and income deriving therefrom must be used in accordance with the specific purposes. Restricted funds may be of a capital or a revenue nature. In the latter case the restriction is discharged once the donation or grant is expended as required.

Income

Income from donations and legacies includes grant income and is recognised on a receivable basis in the appropriate fund.

Incoming resources from charitable activities are recognised on a receivable basis and consist principally of charges for the provision of residential and nursing care and related services. Incoming resources are allocated to charitable activities based on actual amounts received. Contract income received in advance of the period to which it relates is deferred.

Historically, capital grants were received in the form of land and buildings to be used for the provision of accommodation for residents with learning disabilities or mental health needs. These properties cannot be sold without repayment of the related capital value. These grants are therefore accounted for as Restricted Capital Funds. The relevant assets are depreciated in accordance with the depreciation policy and the value of the Restricted Capital Fund is reduced accordingly.

Expenditure

All resources expended are included in the Statement of Financial Activities during the period in which they are incurred, on an accruals basis and inclusive of any VAT which cannot be recovered since the Trust is not registered for VAT.

Support costs and governance costs are allocated to charitable activities except for a small proportion of support costs that have been allocated to costs of generating voluntary income, together with specific costs incurred.

Pension costs

Contributions payable to defined contribution pension schemes are charged to the income and expenditure account in the period to which they relate.

Contributions payable to the National Health Service pension scheme are charged to the income and expenditure account in the period that they arise. The scheme is a multi-employer scheme in which it is not possible for the Trust to identify its share of the underlying assets and liabilities, and the Trust is therefore exempted from some of the disclosure requirements of FRS 102.

Charitable commitments

Charitable commitments relate to the provision of continuing care for existing people being supported. All future charitable commitments will be met from future funding, via contract income from Social Services and Health Service commissioners, and residents' contributions. Future expenditure in respect of charitable commitments is therefore not recognised in the financial statements.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Termination benefits

Liabilities for termination benefits are recognised when the Trust is committed to terminating an employee's employment before normal retirement date. The liability is calculated as the best estimate of the cost at the reporting date.

3. INCOME FROM DONATIONS AND LEGACIES

| | 2025 | 2024 |
|--|---------|---------|
| | £ | £ |
| Restricted capital grant | - | 66,220 |
| | ----- | ----- |
| Restricted income donations | | |
| Donations from Quartet | 30,533 | 10,287 |
| Other restricted grants and donations | 91,215 | 81,467 |
| | ----- | ----- |
| | 121,748 | 91,754 |
| | ----- | ----- |
| Total restricted grants and donations | 121,748 | 157,974 |
| | ----- | ----- |
| Unrestricted grants and donations | 159,207 | 60,450 |
| | ----- | ----- |
| | 280,955 | 218,424 |
| | ===== | ===== |

All restricted donations have been received for a specific purpose. £83,834 of restricted income grants had not been spent at 31 March 2025. This amount is therefore carried forward as part of restricted funds (note 25). All other donations and grants were spent during the year and the restrictions have therefore been discharged. Equivalent transfers have therefore been made to the unrestricted income fund.

4. INCOME FROM INVESTMENTS

| | 2025 | 2024 |
|---|---------|---------|
| | £ | £ |
| Interest receivable | 128,814 | 151,867 |
| Income from stock exchange investments (reinvested) | 87,422 | 80,926 |
| | ----- | ----- |
| | 216,237 | 232,793 |
| | ===== | ===== |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | 2025 | 2024 |
|--|------------|------------|
| | £ | £ |
| Health authority grant | 343,635 | 423,813 |
| Contract income | 35,747,442 | 30,089,587 |
| Service user contributions | 1,110,305 | 939,160 |
| PCT funding re increased pension contributions (note 28) | 44,045 | 45,786 |
| Other operational income | 15,830 | 7,616 |
| | ----- | ----- |
| | 37,261,257 | 31,505,962 |
| | ===== | ===== |

6. EXPENDITURE ON CHARITABLE ACTIVITIES

| | 2025 | 2024 |
|---------------------------------------|------------|------------|
| | £ | £ |
| Staff costs | | |
| Employee costs | 25,771,746 | 19,400,765 |
| Agency staff costs | 1,035,679 | 2,702,588 |
| | ----- | ----- |
| | 26,807,425 | 22,103,353 |
| | ----- | ----- |
| Non-Pay costs | | |
| Food and household | 563,948 | 558,279 |
| Operational training | 23,302 | 65,179 |
| Residents' amenities | 145,997 | 111,948 |
| Travel costs | 279,171 | 213,535 |
| Telephone | 93,120 | 104,298 |
| Stationery and office expenses | 159,335 | 67,659 |
| Hygiene and medical | 266,824 | 252,589 |
| Bad debts | 48,470 | 37 |
| | ----- | ----- |
| | 1,580,167 | 1,373,524 |
| | ----- | ----- |
| Property costs | | |
| Utilities | 747,958 | 794,752 |
| Registration fees | 35,002 | 37,321 |
| Loan interest | - | - |
| Rent | 367,412 | 365,351 |
| Fixtures, repairs and maintenance | 2,043,131 | 1,623,940 |
| Property management charges | 74,789 | 56,700 |
| Depreciation | 380,714 | 343,847 |
| Council tax | 97,326 | 94,908 |
| | ----- | ----- |
| | 3,746,332 | 3,316,819 |
| | ----- | ----- |
| Support costs reallocated (note 7) | 5,399,519 | 4,304,638 |
| Governance costs reallocated (note 8) | 44,933 | 36,203 |
| | ----- | ----- |
| TOTAL EXPENDITURE | 37,578,376 | 31,134,537 |
| | ===== | ===== |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

7. SUPPORT COSTS

| | 2025 | 2024 |
|---|-----------|-----------|
| | £ | £ |
| Head office property costs | 275,103 | 225,167 |
| Head office staff costs | 2,943,377 | 2,385,102 |
| Head office agency costs | 105,149 | 44,254 |
| Staff training and development | 110,865 | 95,865 |
| Staff recruitment | 143,447 | 84,333 |
| Staff and payroll support costs | 380,370 | 274,730 |
| Information technology | 711,204 | 526,581 |
| Insurance | 177,891 | 164,866 |
| Office consumables | 103,441 | 118,642 |
| Legal and professional fees | 207,778 | 150,374 |
| Bank charges | (9,077) | 66,349 |
| Marketing | 31,116 | 45,701 |
| Head office depreciation | 177,251 | 112,669 |
| Other head office expenses | 68,631 | 31,635 |
| | ----- | ----- |
| | 5,426,546 | 4,326,268 |
| Less 0.5% recharge to expenditure on raising funds (note 9) | (27,027) | (21,630) |
| | ----- | ----- |
| | 5,399,519 | 4,304,638 |
| | ===== | ===== |

8. GOVERNANCE COSTS

| | 2025 | 2024 |
|--|--------|--------|
| | £ | £ |
| Reimbursement of Trustees' expenses | 1,453 | 1699 |
| Trustees' meeting, training and recruitment costs | 3,732 | 4,958 |
| External auditors' fees | 27,703 | 18,563 |
| Recharge 5% salary costs for Chief Executive and Director of Finance | 12,045 | 10,983 |
| | ----- | ----- |
| | 44,933 | 36,203 |
| | ===== | ===== |

No remuneration has been paid to any Trustee or any person connected with a Trustee. Expenses were paid to five (2024 four) Trustees in respect of mileage and other expenses incurred.

Trustee indemnity insurance is in place, but the individual premium cost cannot be separated out from other combined policy premiums.

9. EXPENDITURE ON RAISING FUNDS

| | 2025 | 2024 |
|---|--------|--------|
| | £ | £ |
| Fundraising staff costs | 32,163 | 24,510 |
| Fundraising system costs | 769 | - |
| Recharge 0.5% of support costs (note 7) | 27,027 | 21,630 |
| | ----- | ----- |
| | 59,959 | 46,140 |
| | ===== | ===== |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

10. STAFF COSTS

| | 2025 £ | 2024 £ |
|--|------------|------------|
| Wages and salaries | 25,731,300 | 19,687,994 |
| Social security costs | 2,284,582 | 1,587,686 |
| Other pension costs | 614,112 | 448,265 |
| | ----- | ----- |
| | 28,629,994 | 21,723,945 |
| Apprenticeship levy | 129,337 | 97,416 |
| | ----- | ----- |
| | 28,759,331 | 21,821,361 |
| | ===== | ===== |
| Remuneration costs of key management personnel | 585,669 | 478,213 |
| Redundancy and termination payments | 168,464 | 115,206 |
| | ===== | ===== |

Key management personnel are considered to consist of the Chief Executive, Director of Finance, Director of Operations, Director of People and Culture and the Director of Estates, Facilities and Information Technology.

Agency staff are engaged when necessary to cover staff shortages or absences. Agency expenditure during the year ended 31 March 2025 amounted to £1,140,828 (2024 £2,746,842).

11. EMPLOYEES

The average number of employees during the year was as follows:

| | Average number | | Whole time equivalents | |
|-------------------------------|----------------|-------|------------------------|-------|
| | 2025 | 2024 | 2025 | 2024 |
| Management and administration | 64 | 59 | 63 | 59 |
| Care staff | 1,005 | 870 | 865 | 670 |
| | ----- | ----- | ----- | ----- |
| | 1,069 | 929 | 928 | 729 |
| | ===== | ===== | ===== | ===== |

Employees whose emoluments fell within the following ranges were as follows:

| | 2025 | 2024 |
|----------------------|------|------|
| £70,000 to £80,000 | 0 | 4 |
| £80,000 to £90,000 | 3 | 1 |
| £90,000 to £100,000 | 1 | 0 |
| £100,000 to £110,000 | 1 | 1 |
| £110,000 to £140,000 | 1 | 0 |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

12. NET INCOME FOR THE YEAR

| | 2025 | 2024 |
|---|---------|---------|
| This is stated after crediting: | £ | £ |
| Profit on disposal of tangible fixed assets | 459,337 | 597,973 |
| and after charging: | | |
| Operating leases - property rental | 428,318 | 419,675 |
| - motor vehicles | 64,266 | 36,848 |
| Auditor's remuneration – audit fees | 26,060 | 23,640 |

13. TANGIBLE FIXED ASSETS

| | Freehold properties £ | Fixtures & equipment £ | Motor vehicles £ | Total £ |
|------------------------------------|-----------------------------|------------------------------|------------------------|------------|
| COST | | | | |
| At 1 April 2024 | 19,089,785 | 217,751 | 354,043 | 19,661,580 |
| Additions | 3,860,061 | 569,275 | 96,518 | 4,525,854 |
| Disposals | (60,000) | - | (11,695) | (71,695) |
| At 31 March 2025 | 22,889,847 | 787,026 | 438,866 | 24,115,738 |
| DEPRECIATION | | | | |
| At 1 April 2024 | 6,759,607 | 204,432 | 336,546 | 7,300,585 |
| Charge for the year | 370,728 | 14,249 | 18,942 | 403,920 |
| Depn to date transferred from WHCT | 495,210 | 525,794 | 65,140 | 1,086,145 |
| Disposals | (31,209) | - | (11,695) | (42,904) |
| At 31 March 2025 | 7,594,336 | 744,475 | 408,933 | 8,747,744 |
| NET BOOK VALUE | | | | |
| At 31 March 2024 | 12,330,178 | 13,319 | 17,497 | 12,360,995 |
| At 31 March 2025 | 15,295,511 | 42,550 | 29,933 | 15,367,994 |

The net book value of freehold properties includes £3,176,654 (2024 £1,992,437) in respect of non-depreciable land. 24/25 tangible fixed asset additions include assets acquired from White Horse Care Trust (Note 23).

The net book value of fixtures and equipment includes nil (2024 nil) in respect of assets held under finance leases.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

14. INTANGIBLE FIXED ASSETS

| | Software costs £ |
|------------------------------------|---------------------------|
| COST | |
| At 1 April 2024 | 604,877 |
| Additions | 291,205 |
| Disposals | (115,054) |
| At 31 March 2025 | ----- 781,029 ----- |
| DEPRECIATION | |
| At 1 April 2024 | 320,660 |
| Charge for the year | 147,689 |
| Depn to date transferred from WHCT | 101,670 |
| Disposals | (111,258) |
| At 31 March 2025 | ----- 458,762 ----- |
| NET BOOK VALUE | |
| At 31 March 2024 | 284,217 ===== |
| At 31 March 2025 | 322,267 ===== |

Additions to intangible fixed assets include nil (2024 also nil) in respect of capitalised salary costs. 24/25 intangible fixed asset additions include assets acquired from White Horse Care Trust (Note 23).

The charge for amortisation of intangible fixed assets is included in the Statement of Financial Activities (page 21) within Expenditure on Charitable Activities (note 6). Software costs are amortised over a period of five years, a period that is in line with industry standards.

15. INVESTMENTS

| | 2025 £ | 2024 £ |
|--|-----------------------------|-----------------------------|
| Listed Investments | | |
| Valuation at 1 April 2024 | 2,821,851 | 2,566,855 |
| Additions to investment funds | 87,422 | 80,926 |
| Realised (losses)/profits on disposal | (8,925) | (8,563) |
| Unrealised profits/(losses) on revaluation | 2,173 | 182,633 |
| Valuation at 31 March 2025 | ----- 2,902,521 ===== | ----- 2,821,851 ===== |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Listed investments represent amounts invested in the Barclays Managed Charities Fund. This is managed by Barclays' professional Fund Managers. The valuation above is based on the asset values reported by Barclays, which we consider to be a fair estimation of the realisable value of the fund assets. The investment is held to provide an investment return to the charity.

16. DEBTORS

| | 2025 | 2024 |
|--------------------------------|-----------|-----------|
| | £ | £ |
| Operational debtors | 2,185,907 | 1,543,933 |
| Other debtors | 26,951 | 125 |
| Prepayments and accrued income | 381,974 | 259,604 |
| | ----- | ----- |
| | 2,594,833 | 1,803,664 |
| | ===== | ===== |

17. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2025 | 2024 |
|------------------------------|-----------|-----------|
| | £ | £ |
| Finance lease creditor | - | - |
| Trade creditors | 1,056,743 | 1,315,658 |
| Tax and social security | 552,133 | 326,076 |
| Other creditors | 196,448 | 165,852 |
| Accruals and deferred income | 522,342 | 827,338 |
| | ----- | ----- |
| | 2,327,666 | 2,634,926 |
| | ===== | ===== |

18. PROVISIONS FOR LIABILITIES AND CHARGES

| | Pension deficit £ |
|---|-------------------------|
| At 1 April 2024 | 4,860 |
| Paid during the year | (4,955) |
| Re-measurement of provision | 66 |
| Unwinding of discount factor | 128 |
| Increase/(decrease) in provision (change in assumption) | 10,370 |
| | ----- |
| At 31 March 2025 | 10,469 |
| | ===== |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The pension deficit provision relates to the obligation to pay additional contributions to the Trustees of the TPT Retirement Solutions Growth Plan pension scheme in order to fund the deficit in value of that scheme (note 28). 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 4.84% (5.31% at 31 March 2024). The unwinding of the discount rate is recognised as a finance cost.

19. FINANCIAL INSTRUMENTS

| | 2025 | 2024 |
|---|-------------|-------------|
| | £ | £ |
| Financial assets | | |
| Financial assets that are debt instruments measured at amortised cost | 23,746,280 | 20,655,422 |
| | ===== | ===== |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | (2,338,135) | (2,639,786) |
| | ===== | ===== |

Financial assets measured at amortised cost comprise tangible and intangible fixed assets, trade debtors, other debtors and bank balances.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and provisions.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds invested in fixed assets £ | Balance of unrestricted funds £ | Restricted capital fund £ | Restricted income fund £ | Total funds £ |
|--|--|--|---------------------------------|--------------------------------|---------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 13,107,959 | - | 2,260,033 | - | 15,367,992 |
| Intangible assets | 322,267 | - | - | - | 322,267 |
| Investments | - | 2,902,521 | - | - | 2,902,521 |
| | ----- | ----- | ----- | ----- | ----- |
| Total fixed assets | 13,430,226 | 2,902,521 | 2,260,033 | - | 18,592,780 |
| | ----- | ----- | ----- | ----- | ----- |
| CURRENT ASSETS | | | | | |
| Debtors | | 2,594,833 | - | - | 2,594,833 |
| Cash at bank and in hand | - | 5,290,591 | | 170,595 | 5,461,186 |
| | ----- | ----- | ----- | ----- | ----- |
| Total current assets | - | 7,885,424 | | 170,595 | 8,056,019 |
| | ----- | ----- | ----- | ----- | ----- |
| CREDITORS: Amounts falling due within one year | - | (2,327,666) | - | - | (2,327,666) |
| | ----- | ----- | ----- | ----- | ----- |
| Net current assets | - | 5,557,758 | - | 170,595 | 5,728,353 |
| | ----- | ----- | ----- | ----- | ----- |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 13,430,226 | 8,460,279 | 2,260,033 | 170,595 | 24,321,133 |
| | ----- | ----- | ----- | ----- | ----- |
| PROVISIONS for liabilities and charges | - | (10,469) | - | - | (10,469) |
| | ----- | ----- | ----- | ----- | ----- |
| NET ASSETS AT 31 MARCH 2025 | 13,430,226 | 8,449,810 | 2,260,033 | 170,595 | 24,310,664 |
| | ===== | ===== | ===== | ===== | ===== |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

21. MOVEMENT OF FUNDS

| | Unrestricted funds invested in fixed assets | Balance of unrestricted funds | Restricted capital fund | Restricted income fund | Total funds |
|---|---|-------------------------------------|----------------------------|---------------------------|-------------------|
| | £ | £ | £ | £ | £ |
| AT 1 APRIL 2024 | 10,311,844 | 8,143,425 | 2,333,367 | 48,850 | 20,837,488 |
| Surplus(deficit) for the year ended 31 March 2025 | - | 3,351,427 | - | 121,748 | 3,473,177 |
| Transfers between funds | 3,118,382 | (3,045,048) | (73,333) | - | |
| AT 31 MARCH 2025 | <u>13,430,227</u> | <u>8,449,805</u> | <u>2,260,034</u> | <u>170,598</u> | <u>24,310,664</u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

22. Charity combinations

White Horse Care Trust was acquired on 1st November 2024.

Recognised amounts of identifiable assets acquired and liabilities assumed:

| | Book value £ | Fair value £ |
|-----------------------------------|------------------|------------------|
| Fixed Assets | | |
| Tangible | 3,391,855 | 3,391,855 |
| Intangible | 13,383 | 13,383 |
| | ----- | ----- |
| | 3,405,238 | 3,405,238 |
| Current Assets | | |
| Debtors | 628,573 | 628,573 |
| Cash at bank and in hand | 492,073 | 492,073 |
| | ----- | ----- |
| Total Current Assets | 1,120,646 | 1,120,646 |
| Creditors | | |
| Due within one year | 631,474 | 631,474 |
| Due after more than one year | 936,929 | 936,929 |
| | ----- | ----- |
| | 1,568,403 | 1,568,403 |
| | ----- | ----- |
| Total Net Assets | 2,957,480 | 2,957,480 |
| | ----- | ----- |
| Total merger gain/donation | | 2,957,480 |
| | | ===== |

The merger gain is shown on the Statement of Financial Activities as per below:

| | |
|--|-------------------|
| Unrestricted 'designated' funds | £65,821 |
| Restricted funds (legacy) | £15,000 |
| | ----- |
| Total included under donations and legacies | £80,821 |
| Total shown as merger gain (donation) | £2,876,661 |

The Trustees are content that the assets and liabilities, the vast majority of which is property, has a fair value equal to the book value. The services operated in the properties by White Horse Care Trust had been loss making for some time.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

23. UNRESTRICTED INCOME FUNDS

The unrestricted income funds consist of:

Funds invested in tangible and intangible fixed assets – being the value of tangible and intangible fixed assets (notes 13 and 14) less restricted funds invested in fixed assets (note 25).

Investment revaluation reserve – being cumulative unrealised gains less unrealised losses arising on the investment portfolio (note 15).

Funds available for use – being the balance of unrestricted funds.

24. RESTRICTED FUNDS

Restricted funds represent capital or income donations or grants received by the Trust for specific purposes. In the case of restricted income donations or grants the restriction is discharged once the donations or grants are expended as required.

Restricted capital fund

It was a condition of capital grants received in the past that properties purchased continue to be used for specified charitable purposes and grants received were secured by legal charges in favour of the Secretary of State for Health (SoSH). If the properties cease to be used for these purposes or are sold without authorised reinvestment, then a proportion equivalent to the level of the legal charge (49.8% to 100%) of the market value of the property is repayable to the SoSH. The restriction in respect of these grants was therefore not discharged when the properties were purchased. These grants continue to be reflected in the balance on restricted funds, but are stated net of amounts released annually to the unrestricted income fund to offset related depreciation charges. There were ten such properties at 31 March 2025. Additionally, three of the properties acquired as part of the merger with White Horse Care Trust also have a SoSH legal charge (20%), increasing the total number of such properties to 13.

Restricted income fund

During the year ended 31 March 2025, there were restricted income donations and grants amounting to £121,748 (2024 £91,754). See note 3 for further details of donations and grants received. The restrictions have been discharged in respect of restricted income donations and grants amounting to £86,883, including some donations and grants received in prior years, and an equivalent transfer has therefore been made to the unrestricted income fund.

25. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2025 (2024 nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

26. OPERATING LEASE COMMITMENTS

At 31 March 2025 there were the following total commitments under non-cancellable operating leases:

| | Land and Buildings 2025 £ | Photocopiers 2025 £ | Land and Buildings 2024 £ | Photocopiers 2024 £ |
|----------------------------------|--|------------------------------------|--|------------------------------------|
| Expiring within one year | 420,796 | 27,322 | 334,507 | - |
| Expiring in two to five years | 75,360 | 27,322 | - | - |
| Expiring in more than five years | - | - | - | - |
| | ----- | ----- | ----- | ----- |
| | 496,156 | 54,644 | 334,507 | - |
| | ===== | ===== | ===== | ===== |

27. PENSION COSTS

The Trust participates in one defined contribution scheme and one defined benefit schemes. The assets of both pension schemes are held separately from those of the Trust in independently administered funds.

TPT Retirement Solutions – The Growth Plan Series 4

Contributions payable by the Trust to this defined contribution scheme, in respect of 1,125 employees (2024 869), amounted to £513,786 (2024 £701,367). Contributions totalling £128,242 (2024 £415,404) were payable to this fund at 31 March 2025 and are included in creditors (note 17).

NHS Pension Scheme

Some employees of the Trust are eligible for membership of the NHS Pension Scheme. This is a multi-employer defined benefits scheme for the National Health Service and other approved organisations.

Contributions payable by the Trust to the NHS Pension Fund during the year, in respect of 29 employees (2024 also 29), amounted to £85,457 (2024 £88,604). Employers' and employees' contributions totalling nil (2024 £11,203) were payable to this fund at the balance sheet date and are included within other creditors (note 17).

Due to the nature of the scheme, the Trust is unable to identify its share of the underlying assets and liabilities and, in accordance with FRS 102, the Trust is therefore exempted from providing details of these. The cost of pensions are met by a level percentage contribution called the Normal Contribution rate, calculated by the Government Actuary on the basis of quinquennial valuations using the prospective benefits valuation method.

The most recent valuation, published in February 2019, was for the four years from 2012 to 2016. This is a public document available from HM Stationery Office and for a more complete understanding it should be reviewed in its entirety.

The most recent actuarial valuation showed that the value placed on notional investments at 31 March 2016 amounted to £278.1 billion and that the present value of benefits accrued to members amounted to £297.5 billion, net of the present value of future contributions by current members. There was therefore a deficiency at 31 March 2016 amounting to £19.4 billion.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Most existing NHS pension scheme members were transferred to a new scheme (“the 2015 scheme”) on 2015. The previous actuarial valuation was required to take account of the impact of the introduction of this scheme. It concluded that the employer contribution rate for the period from 1 April 2015 to 31 March 2020 should be increased to 14.3% of pensionable pay.

The latest actuarial valuation concluded that the employer contribution rate should be increased to 20.6% of pensionable pay for the period from 1 April 2020 to 31 March 2023 to meet the cost of scheme benefits. The Department of Health and Social Care (DHSC) confirmed this increase, but the Government committed to providing additional funding to meet this additional cost to employers. It was subsequently confirmed that for 2020/21 to 2022/23 the amount to be collected from employers would continue at 14.3% (plus 0.08% administration charge) and that central payments would be made by NHS England and by DHSC to cover the remaining cost. In January 2022 it was announced that these arrangements would continue for a further year, until 31 March 2024.

TPT Retirement Solutions – The Growth Plan Series 3

Prior to 1 October 2012 employees were eligible for participation in Series 3 of The Pensions Trust’s Growth Plan (the Plan). On 1 October 2013 the Plan was closed, and all employees within the Plan were transferred to Series 4, a defined contribution scheme (see above). Although the Plan is now closed, details are included here as the Trust has a number of actual and potential future liabilities relating to it.

The Plan is a multi-employer pension plan that provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Trust to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme and therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the 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 scheme is classified as a “last-man standing arrangement”. Therefore, the 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.

A full actuarial valuation of the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9 million, liabilities of £531.0 million and a deficit of £16.1 million. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

*Deficit contributions from 1 April 2022 to 31 January 2025
£3,312,000 per annum, payable monthly*

*Deficit contributions from 1 April 2025 to 31 March 2028
£2,100,000*

Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £830.3 million, liabilities of £831.9 million and a deficit of £31.6 million. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

*Deficit contributions from 1 April 2019 to 30 September 2025
£11,243,000 per annum, payable monthly and increasing by 3% each year on 1 April*

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities. The Trust recognises a liability for this obligation, being the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The net present value of the Trust's provision is £10,469 (2024 £4,860). See note 20 for details of the calculation of this provision.

28. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year or the prior year.

29. LIMITED LIABILITY STATUS

The Trust is a company limited by guarantee with no share capital.

MILESTONES TRUST

England & Wales - Charity number 294377

Accounts

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2024



Unit 10, Eclipse Office Park, High Street, Staple Hill, Bristol BS16 5EL

Telephone: (0117) 970 9300 Fax: (0117) 970 9301

Company number 02011021 Charity number 294377

www.milestonetrust.org.uk

MILESTONES TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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MILESTONES TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Registered office and principal address:

Unit 10, Eclipse Office Park
High Street, Staple Hill
Bristol BS16 5EL

Trustees and directors:

| | |
|--|--------------------------------------|
| D Nordberg (Chair) | D D Wilson |
| S Cummings | T S Jenkinson |
| S J Jones | D B Sarpong |
| S U Begum | N G Baines-Thomas |
| D F Elder | P Lock (appointed 26 September 2023) |
| J Lawry (appointed 26 September 2023) | |
| T Walton (appointed 26 September 2023, resigned 4 December 2023) | |

Secretary:

H A Pearce

Key Management Personnel:

H Crowhurst - Chief Executive
H A Pearce - Director of Finance
J Parry - Director of Operations
G Meehan - Director of Human Resources (resigned 31 May 2024)
I Payne – Director of People & Culture (appointed 29 July 2024)
W Osborne - Director of Business Development (appointed 1 October 2023)
Q Khan - Director of Estates, Facilities & IT (appointed 1 October 2023)

Auditor:

Forvis Mazars LLP
90 Victoria Street
Bristol BS1 6DP

Solicitors:

RWK Goodman
5-6 Northumberland Buildings, Queens Square
Bath BA1 2JE

Lyons Davidson

43 Queens Square, Bristol BS1 4QP

Bankers:

National Westminster Bank
Floor 2, Trinity Quay 2, Avon Street
Bristol BS2 0PT

Investment advisors:

Barclays Wealth Management
1 Churchill Place, Canary Wharf
London E14 5HP

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

Reference and administrative details

This Annual Report forms the Trustees' report for the purposes of Section 162 of the Charities Act 2011 and the Directors' report for the purposes of Chapter 5 of Part 15 of the Companies Act 2006. It also includes the Strategic Report required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006 and the Accounting and Reporting by Charities: Statement of Recommended Practice in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The Trust is a company limited by guarantee (number 02011021) and registered charity (number 294377). The details of Trustees, senior staff and professional advisors engaged by the Trust are set out on page 1.

Structure, Governance and Management

Milestones Trust has been very fortunate in recent years to have found Trustees with a wide range of knowledge and experience, in the sector and from outside it. As some Trustees have retired, new Trustees have joined, and continue to join, bringing new perspectives and backgrounds. This section of the report outlines the formal, structural elements of governance, how the Trust navigates the challenges that are ever present in social care and how it develops and shapes future strategy.

Milestones Trust is governed by the terms of its Principal Trust Deed and its Articles of Association. The Trust was incorporated on 16 April 1986. The Articles were revised and updated on 9th July 2018.

As set out in the Articles of Association, the Board of Trustees (who are directors for the purpose of company law) consist of no less than five members and no more than fifteen. All Trustees are appointed by resolution.

The term of office for a Trustee shall be three years, at the end of which they shall retire. A Trustee shall be eligible for reappointment by the Trustees for up-to a further two terms, each of three years. No Trustee shall serve for more than 9 consecutive years, unless the Trustees consider it would be in the best interest of the Trust for a particular Trustee to continue to serve beyond that point and that Trustee is reappointed in accordance with the Articles. The Board currently numbers 11.

Trustees are sought in a variety of ways to ensure that collectively they have the range of skills and experience required to govern a health and social care charity with a turnover in the region of £30 million. This means Trustees come from all walks of life, some with experience of health and social care, and some with experience of business or law or property management. Regular skills audits are conducted to guide the recruitment of new Trustees. In recent years the Trust has specifically used recruitment agencies specialising in business/executive recruitment to augment the skills and experience of the Trustees, as well as advertising locally and nationally. The Trust also aims to have a diverse membership with Trustees being representative of the communities in which we support people, wherever possible.

All Trustees undertake an induction, including an awareness of their governance responsibilities. Trustees are also offered the opportunity to attend other relevant training courses. The Trustees meet at least four times a year as a Board, as well as participating on committees. The committees are: Support & Development, Finance & Resources, and Governance & Risk. All committees meet several times a year and report to the Board. The primary roles of these committees are scrutiny and development of the future direction of the Trust, and their work and advice inform Board decisions. The Board will also carry out an externally commissioned evaluation of its effectiveness in 2024.

The day-to-day running of the Trust is delegated to the Chief Executive, who exercises executive responsibility within a scheme of delegation to the Executive Management Team (Exec). The Exec is held accountable for the successful

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

implementation of business plans, maintenance of standards, and financial management of the Trust. Their collective experience has proved invaluable in meeting the on-going challenges of operating in the social care sector,

Our membership of VODG (Voluntary Organisation for Disability Groups) and Care & Support West, a regional organisation of service providers, assist the Trust to lobby on national and local policy issues which affect it strategically and operationally.

The Trust's key partnerships are with the local authorities, namely Bristol, South Gloucestershire and North Somerset, and the healthcare partnership organisations Integrated Care System Boards (ICBs). The two ICBs we work with are those of Bristol, North Somerset and South Gloucestershire (BNSSG) and of Bath & North- East Somerset, Swindon and Wiltshire (BSW). These authorities commission a significant proportion of the Trust's services, and these relationships are strong, enabling close partnership working.

Objectives and Activities

The Trust's objective, set out in the Articles of Association, is 'to promote and protect the health and wellbeing of people with autism, cognitive impairment, dementia or other mental or related health needs by providing nursing, social care, accommodation, education, training and support'.

Vision & Mission Statement

Milestones Trust's vision is that people have opportunities to live happy and fulfilled lives.

The mission is: 'to achieve our vision by promoting health, wellbeing, independence and engagement for people living with learning disabilities, mental health needs and dementia'.

The Trust's core values can be found on the Trust's website (www.milestonestrust.org.uk).

Strategic Plan

During 2022 and early 2023 the Trust developed its Strategy for 2022 – 2026, and this was approved by the Board in March 2023.

Strategic Focus for 2024/25

The three key areas for focus in 2024/25 continue to be:

- Improve the quality and impact of our support.
- Develop our organisational culture.
- Grow as a strong organisation.

Milestones Trust supports people with learning disabilities and enduring mental health needs and offers a range of support in residential and nursing care, supported living, short breaks and day opportunities. Nursing and residential care is offered in 27 homes serving 220 people. The homes range from small domestic properties accommodating 4 or 5 people, to some larger specialist nursing homes registered for 14 or 15 people. Of these 27 homes, the Trust owns 24; the remainder are leased from housing associations or local councils.

The Trust operates 41 Supported Living services, a mix of support with accommodation (32 services) and care packages to people in their own homes (9 services), plus numerous smaller individual packages. Of the supported living accommodation, 13 properties are owned by the Trust, the remainder are leased from housing associations or local councils. Promoting independence has always been one of the Trust's aims and enabling people to gain increased rights (and responsibilities) by becoming tenants is an important positive step on this journey. Around 200 people are supported to live the life they choose through these services.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The Trust also supports circa 50 people to access day opportunities in our "Stepping Forward" services which operate from two bases, one in Bristol and one in South Gloucestershire. Although numbers fluctuate, approximately a further 90 people access our short breaks services. The total number of people supported by the Trust therefore is circa 560.

All the Trust's services are rated good or outstanding by CQC, a significant achievement, yet the Trust strives to further improve quality and the impact of our support for the people we support.

Public Benefit

We have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

The principal means by which the Trust provides opportunities for those who cannot afford the fees for our services is through the provision of support to people funded/part funded by local or health authorities.

We are also furthering the mission and aims of the Trust through the provision of services over and above those funded by public contracts through donations from grant making Trusts and Foundations, corporate partners and grants awarded by local and national government departments. We organise community events that promote the inclusion of beneficiaries with their fellow citizens and encourage neighbours/neighbourhoods to attend 'fun' events that help break down prejudices/barriers to social inclusion. Our arts activities, under 'Expressions', provide people we support with opportunities to explore their creativity and opportunities for the general public to appreciate the abilities of all those who use our services. Our 'Warmley Wheelers' initiative offers accessible bikes so people with varying abilities are able to enjoy cycling. We also support music sessions under the banner of 'Music Train' which encourage participation, and sponsorship, from the wider community.

We work with other organisations to participate in local and national networks to promote/highlight the needs of our beneficiaries and, where possible, support beneficiaries to advocate/participate themselves.

STRATEGIC REPORT

Achievements and Performance

The Trust publishes an Annual Review (available on our website, www.milestonetrust.org.uk) that illustrates the achievements of the people we support and our staff. It illustrates how the Trust "lives" its values.

The Health and Social Care environment has always been a demanding one, and for several years the specific challenges of recruitment and retention led to high agency use and significant overspends in staff spending for the Trust. Last year we reported the start of a real improvement in this area and for this financial year we are very pleased that our various initiatives have improved recruitment and retention, and significantly lowered our agency spend, resulting in a reported surplus for the year.

Alongside this, the Trust has had some significant achievements against the actions it identified for 2023/24. The Trust recently published a 'we said, we did' update for all staff demonstrating these achievements under each of our strategic priority areas. In summary our achievements were:

The Quality and Impact of our Support:

- The implementation of **electronic support planning** began after a successful and highly inclusive procurement process, Buy-in for the project was created through wide stakeholder group involvement led by Guided Innovation, and Nourish was selected as our provider of choice. A structured project plan is in place and effective roll-out has begun across the organisation. It is a great example of cross-department working involving IT, data protection, and others working with and supporting operations. The project has

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

proven popular with staff and the people we support, and we now aim to begin to reap the benefits in terms of improved quality, better reporting and evidence of outcomes met.

- Updated the way in which safeguarding notifications are collated and reported, using Power BI (Microsoft's interactive data visualisation software). In another example of successful cross-functional working, our business process analyst worked with operational colleagues to develop an app, which will allow simpler recording and a Power BI interface for more effective reporting.
- Trained seven accredited **person-centred trainers** with Helen Sanderson Associates, with seven more to follow, and they're now rolling out training across our services.
- Graeme Close opened as a **transition service** for eight people in March 2024. Nourish Digital Support Planning was introduced from the beginning, which will enable us to measure agreed outcomes.
- Chestnut Road is the first to implement our new **Mental Health Strategy**, with work underway to provide two new step-down services. We're preparing a business case to adapt an older mental health service to one that will support people with complex needs.
- As part of our **revised strategy for short break services**, Stibbs House has become the short breaks nursing service, with Fairburn now offering short breaks to people who do not need nursing care. Work is underway to develop new contracts across a number of local authorities to support the work at Fairburn.
- Consultation took place with experts by experience and Voices 4 Choice, staff, managers and Trustees leading to the launch of a new, strengthened **Involvement Strategy**, which will be implemented in 2024/25.

We also continued our focus on maintaining quality, and for the third year in a row we are pleased to report that 100% of our registered settings are rated as Good or Outstanding. Our internal audit processes are well established and give focused support to services as we embrace the CQC's new single assessment framework approach.

We saw a pleasing increase in our corporate volunteering this year, which balanced the challenges in retaining individuals, where the national trend is one of people having less time to volunteer, primarily because of the cost-of-living crisis. On average our volunteers give 2 hours per week and the estimated value of individual and corporate volunteering for 23/24 was £78,000. The benefits for the volunteers, the staff and the people being supported are immeasurable and one person we support said this about her volunteer 'she really takes the time to listen to what I am saying. She is brilliant'.

Our People, Culture and Organisational Development:

- Our use of Dayforce and Power BI means we can **monitor rota planning** in real time. Introducing Neuvon (neutral vendor) has created substantial **savings on agency costs**, and supporting manager ownership of budgets has led to us successfully **achieving budget** this year.
- Improved learning compliance has been enabled through the roll-out of a Power BI dashboard, giving senior and service managers up to date and accurate information.
- We rolled out our **Management Development Strategy**, launching bespoke training for new managers, a range of training for experienced managers, a leadership mentoring scheme, and
- competency frameworks for all operational staff. We've created a new 1-1 format to help managers monitor performance against competency frameworks, which goes digital in 2024. We offer personalised coaching to enable effective problem solving.
- We created a Mental Health Internal Trainers group, who are creating and planning opportunities for **specialist training** for our teams working in the Mental Health Division.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

- We developed and implemented cross-organisational bespoke **recruitment strategies** tailored to reach local communities and working in partnership with operational managers we greatly reduced staff vacancies. They decreased from 16.3% in April 2023 to 9.3% in April 2024.
- We focused on **retention strategies** and changes we made included improving communication, a new staff intranet, introduction of Microsoft Teams, implementing Dayforce Wallet (early access to pay) and a formal staff awards ceremony. Staff turnover improved from 16% in April 2023 to 13% in April 2024.

Our information governance and IT Teams supported colleagues and projects across the Trust to ensure we harnessed the benefits of technology without compromising data security. Both teams excelled in this collaborative work as they supported the Nourish electronic support planning project. Our Information Governance Group met regularly, ensuring oversight of data protection issues and a clear line to the Executive Team and Trustees; leading on Process Reviews (leading to improved practices) and Data Protection Impact Assessments on new systems. In June we submitted our Data Security Protection Toolkit (DSPT), achieving 'Standards Met' again. Cyber security and business continuity were key IT priorities along with preparations for Cyber Essentials accreditation. Network devices now regularly receive security patches and fully managed, encrypted laptops for managers and support staff provide reassurance and security. Three servers have also been decommissioned as we prepare to exit the data centre entirely in the next couple of years.

A Strong and Growing Organisation:

- We opened two **new supported living services**, including one for **young adults with complex needs**, and were successful with a competitive tender for three more services, fighting off competition from more than 40 other providers.
- To continue **improving our buildings**, a condition survey was undertaken, enabling us to plan necessary work for the next five years.
- To **reduce our carbon footprint**, Auditel has been commissioned to work with us as we move towards net zero.
- We opened two houses in the early summer of 2024 to support **move on** from Chestnut Road for people who want to **live more independently**.
- We successfully **relocated** people we support from a service which was geographically difficult to recruit to, while focused recruitment plans means two other services are now much better placed with staffing.
- To **streamline our IT**, PowerBI and Dayforce are now embedded tools. We've introduced Teams to Trust Office and managers, with plans to roll it out across the whole Trust.
- To **raise our profile** locally and to help us **integrate** more into our local communities we appointed a manager to work with our community projects to ensure they are **meeting local needs** and achieve the **funding** necessary to continue to make a difference to people's lives.

We are developing a strategic growth plan which will build a formula for the delivery of tangible growth outcomes aligned to local commissioner need. The plan will act as a roadmap for decision making when considering new growth opportunities. It will clearly articulate why we need to grow, evaluate differing growth options, and identify a clear methodology for measuring growth outcomes. It will also consider the external market forces that may impact on our strategic objectives, along with a thorough analysis of competitors and identify gaps of 'unmet' local need.

We received over £90,000 through grants, donations, and project or service-based fundraising endeavours. Of this, over £60,000 was obtained for the ongoing provision of Warmley Wheelers and the Music Train, with both community projects receiving grants from valued existing and new supporters. In January 2024, the Trust introduced the role of

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

Community Projects Manager to explore and implement new funding streams and growth models for Expressions, Music Train, and Warmley Wheelers. Sponsorship of £12,000 was also secured towards the Extra Mile Awards 2023, and this was commemorated by an evening reception in February 2024 which celebrated the work and achievements of Milestones Trust's staff, volunteers, and people we support.

Financial Review

The majority of the Trust's income consists of contract income from Local Authorities and local health commissioners.

2023/24 was a better year financially, with recruitment, staff retention and reliance on agency all improving significantly as a direct result of the initiatives that began in the previous year. These initiatives were supported by improved systems and management information, as well as focused management attention on financial performance, and as reported last year, they started to bear fruit in the second half of 2022/23. With a full year of those improvements now embedded across the Trust, the results show an operational surplus generated for the year of £1,381,845. Other factors were the investment of over £165,000 on the Trusts Information Technology strategy, and the profit on sale of three properties of £597,973.

After gains on the investment assets of £174,070, the statement of financial activities shows a surplus of £1,555,915 (2023 deficit £1,911,742). The Statement of Cash Flows on page 22 reflects the performance for the year.

The Trust has set a reasonable operational surplus budget for 2024/25 and despite some concerns around the financial robustness of some of our local authority commissioners, and the uncertainties of a new government and how that will impact social care, is confident of also achieving a surplus in 2024/25.

Demand for Trust services and the underlying Trust Balance Sheet remain sound. The Trust not only improved operational financial performance, but also sold several surplus properties which improved our reserves position further. As of 31 March 2024, Net Current Assets stood at £5,375,284 (2023: £3,096,176), and Net Total Assets were £20,837,487 (2023: £19,281,572). The Trust is also clear of debt with no outstanding loans or mortgages.

The importance of maintaining reserves and safeguarding the Trust's financial position underpin our strategy for 2022 – 2026 and is vital to the wellbeing of all the people we support now, and hope to support in the future, as well as to our staff.

Fundraising costs of £46,140 (see Note 9) relate primarily to the internal Trust costs attributed to supporting this function. During 2023/24 grants and donations of £218,424 were received, of which £157,974 were restricted, having been donated for specific purposes (see Note 3).

Reserves policy

The reserves policy will always seek to reflect the reality of the operating environment of the social care sector, as well as challenges or ambitions of the Trust. It will reflect the annual plan and strategy, as well as the organisational, strategic and major risks register.

The Finance & Resources Committee (FRC) annually reviews both the policy, to assess its relevance and effectiveness, and various elements of the organisation's risk profile to ensure that reserves targets are appropriate to the current circumstances. Any changes are recommended to the Trustees.

After the most recent review the FRC concluded that a risk-based reserves policy was still the most appropriate (as opposed to an actuarial/returns-based policy) for the Trust. The policy is based on a specific, tailored, risk-based approach which assesses what level of free reserves the Trust thinks is appropriate, and why.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

In devising a tailored risk-based reserves policy, we have identified the elements of reserves that we wish to provide for and have established an appropriate value range for each. The reserve elements identified are:

- Working Capital.
- Organisational Change Management Support Fund.
- Investment/Innovation Fund.
- Property Investment.
- Operating Risk. This is in 3 strands:
 - Emergency cover to provide for one or more catastrophic events.
 - A provision for the various risks identified throughout the organisation which could impact on the delivery of the strategy (monitored via a risk register).
 - Financial performance, acknowledging the risks of managing against budget in a volatile market.

In consideration of the above risk elements, the Trustees determined an appropriate reserves target lay in the range of £6.50m to £12.25m (unchanged from the previous year). The target range was achieved with reserves of £8.1m million as of 31 March 2024. Reserves are here defined as those Unrestricted Income Funds not invested in land and buildings and other tangible fixed assets (i.e., 'free' reserves). In view of the ongoing sector trading conditions the policy also defines a minimum (or critical) reserves level of £3.5m, and the reserves held well exceeded this critical-reserves level.

The Trust will be continuing to invest in its IT strategy and Trustees have agreed to commit from reserves (investment/innovation fund) the funds necessary to continue this into 2024/25 – 2025/26. The sale of properties that were not fit for purpose in the summer and autumn of 2023 added to the Trusts reserves by just over £2.4m.

Investment Policy and Investment Portfolio Performance

The Trust holds an investment in the Barclays Managed Charities Fund. On a day-to-day basis the fund is managed by professional fund managers who have an investment objective to grow the value of the capital in the longer term while adopting a moderate risk profile.

The Trust also has an agreed Investment Policy in place (and during the year updated this policy to also include a treasury management policy). The Trust's investment portfolio, over the whole year saw an improvement and as of 31 March 2024, the total value of the portfolio was £2,821,851 (note 15) compared to £2,566,855 as at 31 March 2023. The Trusts policy is to reinvest interest earned back into the portfolio (this totalled £80,926 for the year).

The Trust invested surplus cash, in line with the treasury management policy, during the year in various short term money market deposits with both Natwest and Nationwide Building society. Total interest earned during the year was £151,867 (note 4).

Fundraising Policy

In its income generation activities Milestones Trust follows the requirements of charity legislation, money laundering and anti-corruption legislation and the standards promoted by the Fundraising Regulator and the Institute of Fundraising.

Milestones Trust therefore accepts financial support on the following conditions:

- The support can contribute to the Trust's charitable aims and objectives.
- The Trustees are satisfied that accepting such support will not cause adverse publicity which affects our standing in the community in which we operate, our ability to raise funds from other established supporters

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

or which will be detrimental to our professional reputation as a service provider.

- The Trust will not endorse or approve the services of any company, in particular those associated with its work (undertakers, solicitors etc.), whether in return for financial or other support or not.
- The Trust will not sell any of its databases for any reason.

Risk Management

The major risks to which the charity is exposed, as identified by Trustees, have been reviewed and systems have been established to mitigate those risks, and these risks and systems are reviewed regularly by Trustees. Some risks can be mitigated by insurance and the observance of policies and procedures, whilst others require the establishment of a level of reserves.

General risk

The Trust has continued to review and respond to developing risks, and the process of risk management in the Trust has undergone further focused work designed to improve the overall management of risks and Trustee oversight, under the direction of the Governance and Risk Committee.

Insurances (including Business Continuity cover) are maintained and reviewed annually to ensure they meet the needs of the business and were extended last year to cover cyber security risks. Business continuity planning is also maintained at a Trust-wide and service/home level.

While the principal risks facing the sector continue to relate to the consequences of the financial constraints upon the public sector funding of health and social care, exacerbated by the cost-of-living crisis, and the continued social care staffing crisis, the Trust's strategies for dealing with these risks have mitigated them to some degree, as evidenced by the Trust's much improved financial performance in 2023-24. The Trust is continually vigilant however to these risks and is also working on strategies to mitigate other key risks, such as our service provision becoming outdated leading to unplanned shrinkage. Service models must adapt and match what people supported, families and carers, and commissioners want and need. Our Plans for the Future describe how we will achieve this.

Going Concern

The Trustees will ensure appropriate resources are available such as may be required, to enable day to day working capital requirements to be met for a period of at least 12 months from the date of approval of these financial statements.

The care sector saw the impact of the cost-of-living crisis but through the actions taken to manage and reduce costs, and optimise the use of resources, as described in this report, the current position for the Trust is an optimistic one. The Trust closed several loss-making services and focused on financial turnaround and sustainability through a variety of actions and the 2023/24 results have been good.

Continued regular monthly reporting and forecasting, tight budget control and swift actions to tackle new risk areas, have led to the Trustees' conclusion that the long-term impact on the Trust should be modest. Therefore,

the Trustees anticipate that Milestones will continue to operate within its current financial projections and be able to tolerate a reasonable level of unforeseen circumstance.

Plans for the future: Our current strategy

Delivering responsive, reliable, high-quality, person-centred services has always been at the heart of our organisational strategy, and this continues.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

Funding has been scarce for many years within social care, but despite these challenges we are aware that the need for our services has grown over the past years. There are still too many people with learning disabilities or mental health conditions who die early, lack employment, face loneliness or who are living in hospital settings because there are not sufficient services to meet their needs.

We will have plans to work with people we support and other key stakeholders to develop new and creative models of service delivery that continue to provide quality outcomes.

In line with our 2022 – 2026 strategy, for 2024/25 the areas of focus continue to be: improve the quality and impact of our support, develop our organisational culture, and grow as a strong organisation. Some of the key activities for the coming year under these three key priority areas are:

The quality and impact of our support:

We will:

- Implement our new, co-produced **Involvement Strategy**, involving people we support in Milestones' overall strategy, and in the recruitment of all new staff, volunteers and Trustees, whilst investing in the development of our Expert by Experience team.
- Introduce a new **medicines management system**, eMar, across our services, increasing safety for people we support.
- Continue the rollout of our new **Digital Support Planning** system, Nourish, ensuring information is more easily accessible to those who need it and boosting our ability to deliver excellent person-centred support.
- Roll out the improved safeguarding recording process, initially to senior managers but over the year will embed the new processes and dashboard for services as well.

The modernisation of management information systems, including training compliance and safeguarding described earlier, will continue to transform the ability of managers to monitor and intervene quickly to improve safety and quality.

Our people, culture and organisational development

We will:

- Further develop our **recruitment and retention initiatives**, focusing on developing new talent pipelines, hard-to-fill roles and decreasing our reliance on agency cover.
- Implement a state-of-the-art **CRM system** to manage our referrals pipeline and database of external contacts.
- Develop our **employee voice**, ensuring that staff feel they are represented and listened to at the highest levels.
- Transform our approach to **managing referrals**, focussing on making processes more efficient and getting the best solution for the individual.
- **Maintain** the successful rota and budget management developed this year and implement system integrations to streamline agency vendor management, reducing administration and cost to temporary staffing.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

- Respond to the Trust-wide **Employee Engagement Survey** and create cross functional working groups to implement changes to improve the employee life cycle.

A strong and growing organisation

We will:

- **Invest reserves in differing growth models** that can produce tangible outcomes to help achieve our mission.
- Develop and implement a **Strategic Growth Strategy** that will place the Trust in a strong position for future success and long-term sustainability.
- Invest in our **Community Projects** to help them become self-funding and increase their impact while boosting social value.
- Develop more **step-down services** for adults with complex mental health needs.
- Introduce a focused approach to **competitive tender** opportunities aligned to our Strategic Growth Strategy.

Further notable actions for the coming year are these:

- Developing an Active Asset Management Strategy will focus decision making on where, when and how we invest in property. Develop partnership arrangements with housing associations and private landlords to source new properties where the Trust could provide support.
- The Information Governance Annual Report will contain a workplan for the coming year which will include supporting mergers and acquisitions and the use of Artificial Intelligence (AI). As Microsoft are withdrawing support for Windows 10 by October 2025 the 2024-26 technology roadmap begins with replacing 250 laptops/PCs and migrating 1,000+ mailboxes to the Microsoft cloud. Annual data centre disaster recovery rehearsals and external penetration tests are also scheduled.

The Strategic Growth Strategy is of high importance to the Trust in 2024/25, and beyond, as we seek to expand the excellent quality services we provide to more people and expand our geographical footprint, both in terms of service locations and local authority commissioner boundaries. For this reason, the Trust is delighted to report that it is working towards a merger with another similar charity based in Swindon, namely the White Horse Care Trust.

Employment policies

Milestones Trust promotes equal opportunities and celebrates diversity within all areas of its work, and it works in partnership with SARI, a specialist charity, which provides the organisation with expert support and advice. The Trust has policies in place to ensure that employees are consulted and provided with appropriate information in order that they are fully involved in the organisation's performance and are aware of its future direction.

The Trust is externally accredited as a Disability Confident organisation. Our policies and procedures fully support disabled colleagues to gain and retain employment with us. It is the policy of the Trust that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Appropriate external and internal training is provided when implementing policies and is ongoing to ensure that new managers have the appropriate knowledge and skills to manage in accordance with the Trust's culture. Trust-

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

wide communication tools are in place for information sharing of specific strategic initiatives or projects. We also produce a quarterly magazine, 'One Trust', for all our staff and the people we support.

The Trust operates an open culture and the Chief Executive and the Exec team, as well as Trustees, regularly visit homes and services and encourage staff to open channels of communication through Dayforce Hub. The Trust has a recognition agreement with Unison and consultation takes place regarding matters relating to pay and conditions of employment.

The Trust's pay strategy is set by the Board, including the remuneration of the CEO and the approach to pay awards is considered as part of budget setting, taking into account regional and sector benchmarking and financial parameters.

The Trust undertakes employee engagement surveys and enable employee voice across the organisation and cross functional working groups to focus on different areas of the employee lifecycle.

Streamlined energy and carbon reporting (SECR)

The table below represents the Trust's energy consumption and emissions for the year ended 31 March 2024. This is the Trust's third SECR disclosure.

| | 2024 | 2023 |
|---|--------------------|--------------------|
| Energy consumption used to calculate emissions | kWh | kWh |
| Natural gas | 3,252,552 | 3,539,194 |
| Electricity | 1,074,993 | 1,248,770 |
| Vehicles | 324,957 | 324,473 |
| Total energy consumption (kWh) | <u>4,652,502</u> | <u>5,112,438</u> |
| Scope 1 emissions in metric tonnes CO ₂ e | tCO ₂ e | tCO ₂ e |
| Natural gas | 594.99 | 646.04 |
| Vehicles | 73.90 | 75.36 |
| Scope 2 emissions in metric tonnes CO ₂ e | | |
| Electricity | 222.60 | 241.49 |
| Total gross emissions in metric tonnes CO ₂ e | <u>891.49</u> | <u>962.89</u> |
| Intensity ratio tCO ₂ e per average FTE employee | <u>1.22</u> | <u>1.38</u> |

We have used the key performance indicator of energy consumption per average FTE as the Trust's key activities are driven by the level of support required for individuals with learning disabilities and mental health needs, which directly drives the number of employees and the consumption of energy by those employees.

SECR methodology statement

Emissions have been grouped according to the GHG Protocol Corporate standard.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

We have used the following data sources for the report:

- Natural gas & electricity - energy supplier billing data.
- Vehicle fuel - litres purchased (fuel cards) using average prices & mileage reimbursed to employees using average consumption rates and average prices.

CO2 emissions have been calculated from The Carbon Trust conversion factors (based on BEIS published data 2023).

Energy efficient action taken in the reporting period:

- The externally commissioned Carbon Footprint Report for the Trust is now being developed into a carbon reduction plan.
- Replacement of light fittings and bulbs with LED alternatives is being fully implemented.
- Continued staff engagement regarding energy consumption, via staff surveys, to contribute to the carbon reduction plan for the Trust.

Merger with White Horse Care Trust

Following an extensive period of discussion and due diligence, the Board of Trustees has made the decision to merge with White Horse Care Trust - a charity that supports adults with learning disabilities and autism, based primarily in Swindon and Wiltshire. The two organisations have a shared history, provide similar services and have closely aligned values.

We are confident that the combined organisations will be stronger together, providing opportunities to:

- Share our learning and expertise.
- Reduce central costs, ensuring the financial sustainability of the services we provide to the people we support.

The merger will take place in November 2024 with White Horse Care Trust becoming part of Milestones Trust.

The strategic growth plan we are developing will also consider how the merger with White Horse Care Trust will impact on our ability to pursue growth and will identify target locations and areas to help integrate our services across the differing locations.

Section 172 Companies Act 2006

The Board of Trustees must act in the Trust's best interests to ensure the delivery of its charitable objectives. The Trustees role is to oversee the overall management of the Trust whilst the Exec manage the day-to-day operations. Further details of the structure of the Board are given earlier in this report in the 'Structure, Governance and Management' section.

The Trustees, when making decisions, act in good faith and will promote and support actions that are in the best interest of the Trust and its stakeholders, with a focus on, but not limited to, the following key decision-making areas:

- a) The interests and wellbeing of the Trust's employees; please see the 'employment policies' section for further details.
- b) The need to foster the Trust's business relationships with customers, suppliers, and others; throughout this report there are many examples of how we involve and work with the people we support, volunteers, donors, commissioners, and key suppliers.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

- c) The impact of the Trust's operations on the wider community and environment; the 'Structure, Governance and Management' section refers to how we play an active role with our Health and Social Care Communities and our memberships of disability groups such as VODG.
- d) The desirability of the Trust maintaining a reputation for high standards of business conduct and quality; as noted earlier in this report the Trust is proud that 100% of our services are rated good or outstanding by CQC.

In adhering to the requirements of S172, the Trustees pay close attention to the above stakeholders and any other party whose interests are relevant to the decision-making process.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Milestones Trust for the purposes of Company Law) are responsible for preparing the Strategic Report, Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing those financial statements the Trustees are required to:

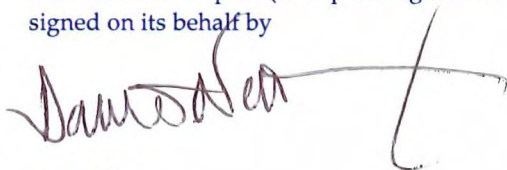
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2015;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charitable parent company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' Report (incorporating the Strategic Report) was approved by the Board on 30 September 2024 and signed on its behalf by



D Nordberg
Chair

MILESTONES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

Opinion

We have audited the financial statements of Milestones Trust for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

MILESTONES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 14, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

MILESTONES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

MILESTONES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

Use of the audit report

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



Jonathan Marchant (Oct 8, 2024 16:34 GMT+1)

Jonathan Marchant (Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street

Bristol

BS1 6DP

Date: 08/10/2024

MILESTONES TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024

| | Notes | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total 2024 £ | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total 2023 £ |
|---|-------|---------------------------------|-------------------------------|--------------------|---------------------------------|-------------------------------|--------------------|
| INCOME FROM | | | | | | | |
| Donations and legacies | 3 | 60,450 | 157,974 | 218,424 | 70,577 | 77,774 | 148,351 |
| Other trading activities | | 7,370 | - | 7,370 | 48,781 | - | 48,781 |
| Income from investments | 4 | 151,867 | - | 151,867 | 81,178 | - | 81,178 |
| Incoming resources from charitable activities | 5 | 31,505,962 | - | 31,505,962 | 29,458,708 | - | 29,458,708 |
| Reinvested Investment Interest | | 80,926 | - | 80,926 | - | - | - |
| Surplus on disposal of fixed assets | | 597,973 | - | 597,973 | 389 | - | 389 |
| TOTAL INCOMING RESOURCES | | 32,404,548 | 157,974 | 32,562,522 | 29,659,633 | 77,774 | 29,737,407 |
| EXPENDITURE ON | | | | | | | |
| Raising funds | 9 | 46,140 | - | 46,140 | 33,608 | - | 33,608 |
| Charitable activities | 6 | 31,047,653 | 86,884 | 31,134,537 | 31,478,070 | - | 31,478,070 |
| TOTAL RESOURCES EXPENDED | | 31,093,793 | 86,884 | 31,180,677 | 31,511,678 | - | 31,511,678 |
| NET INCOME/(EXPENDITURE) BEFORE OTHER RECOGNISED GAINS/(LOSSES) AND TRANSFERS | | | | | | | |
| | | 1,310,755 | 71,090 | 1,381,845 | (1,852,045) | 77,774 | (1,774,271) |
| Net gains/(losses) on investment assets | 15 | 174,070 | - | 174,070 | (137,471) | - | (137,471) |
| NET INCOME/(EXPENDITURE) | | 1,484,825 | 71,090 | 1,555,915 | (1,989,516) | 77,774 | (1,911,742) |
| Gross transfers between funds | | 83,281 | (83,281) | - | 153,492 | (153,492) | - |
| NET MOVEMENT IN FUNDS | | 1,568,106 | (12,191) | 1,555,915 | (1,836,024) | (75,718) | (1,911,742) |
| Total funds brought forward | | 16,887,164 | 2,394,408 | 19,281,572 | 18,723,188 | 2,470,126 | 21,193,314 |
| Total funds carried forward | | 18,455,270 | 2,382,217 | 20,837,487 | 16,887,164 | 2,394,408 | 19,281,572 |

All activities relate to continuing operations. The notes on pages 22 to 38 form part of these financial statements.

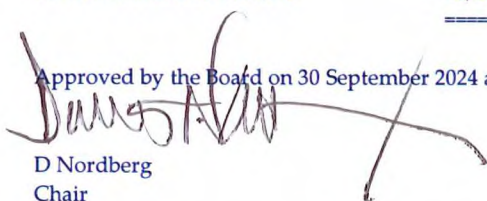
MILESTONES TRUST

COMPANY NUMBER 02011021

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

| | Notes | Unrestricted Income Fund 2024 £ | Restricted Funds 2024 £ | Total 2024 £ | Unrestricted Income Fund 2023 £ | Restricted Funds 2023 £ | Total 2023 £ |
|--|-------|---|----------------------------------|--------------------|---|----------------------------------|--------------------|
| FIXED ASSETS | | | | | | | |
| Tangible assets | 13 | 10,027,628 | 2,333,367 | 12,360,995 | 11,310,975 | 2,100,681 | 13,411,656 |
| Intangible assets | 14 | 284,217 | - | 284,217 | 217,290 | - | 217,290 |
| Investments | 15 | 2,821,851 | - | 2,821,851 | 2,566,855 | - | 2,566,855 |
| Total fixed assets | | 13,133,696 | 2,333,367 | 15,467,063 | 14,095,120 | 2,100,681 | 16,195,801 |
| CURRENT ASSETS | | | | | | | |
| Debtors | 16 | 1,803,664 | - | 1,803,664 | 1,644,939 | - | 1,644,939 |
| Cash at bank and in hand | | 6,157,696 | 48,850 | 6,206,546 | 3,185,794 | 293,727 | 3,479,521 |
| Total current assets | | 7,961,360 | 48,850 | 8,010,210 | 4,830,733 | 293,727 | 5,124,460 |
| CREDITORS: Amounts falling due within one year | 17 | (2,634,926) | - | (2,634,926) | (2,028,284) | - | (2,028,284) |
| Net current assets | | 5,326,434 | 48,850 | 5,375,284 | 2,802,449 | 293,727 | 3,096,176 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 18,460,130 | 2,382,217 | 20,842,348 | 16,897,569 | 2,394,408 | 19,291,977 |
| PROVISIONS for liabilities and charges | 19 | (4,860) | - | (4,860) | 10,405) | - | (10,405) |
| NET ASSETS | | 18,455,270 | 2,382,217 | 20,837,487 | 16,887,164 | 2,394,408 | 19,281,572 |
| FUNDS OF THE CHARITY | | | | | | | |
| Funds invested in fixed assets | | 10,311,844 | - | 10,311,844 | 11,519,193 | - | 11,519,193 |
| Investment revaluation reserve | | - | - | - | - | - | - |
| Funds available for use | | 8,143,426 | - | 8,143,426 | 5,367,971 | - | 5,367,971 |
| Unrestricted income funds | 23 | 18,455,270 | - | 18,455,270 | 16,887,164 | - | 16,887,164 |
| Restricted funds | 24 | - | 2,382,217 | 2,382,217 | - | 2,394,408 | 2,394,408 |
| TOTAL CHARITY FUNDS | | 18,455,270 | 2,382,217 | 20,837,487 | 16,887,164 | 2,394,408 | 19,281,572 |

Approved by the Board on 30 September 2024 and signed on its behalf by


D Nordberg
Chair

The notes on pages 22 to 38 form part of these financial statements.

MILESTONES TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

| | 2024 | 2023 |
|---|-------------|-------------|
| | £ | £ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net outgoing resources | 1,555,915 | (1,911,742) |
| Adjustments for: | | |
| Depreciation and amortisation | 456,516 | 504,038 |
| (Surplus) on sale of property, plant and equipment | (597,973) | (388) |
| Investments losses/(gains) | (174,071) | 137,471 |
| Investment income | (232,793) | (81,178) |
| Interest expense | - | 308 |
| Decrease/(increase) in trade and other receivables | (158,725) | 217,226 |
| (Decrease)/increase in trade and other payables | 610,169 | (424,547) |
| | ----- | ----- |
| | 1,459,093 | (1,558,812) |
| | ----- | ----- |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (1,156,706) | (80,378) |
| Purchase of intangibles | (156,585) | - |
| Proceeds on disposal of property, plant and equipment | 2,438,482 | 389 |
| Additions to investment funds | (80,926) | (712,403) |
| Interest received | 232,793 | 81,178 |
| | ----- | ----- |
| | 1,277,058 | (711,214) |
| | ----- | ----- |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | - | (308) |
| Finance lease repayments made | (9,072) | (10,886) |
| | ----- | ----- |
| | (9,072) | (11,194) |
| | ----- | ----- |
| NET (DECREASE) IN CASH AND CASH EQUIVALENTS | 2,727,025 | (2,281,220) |
| Cash and cash equivalents at the beginning of the year | 3,479,521 | 5,760,741 |
| | ----- | ----- |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 6,206,546 | 3,479,521 |
| | ===== | ===== |

ANALYSIS OF CHANGES IN NET DEBT

Cash is the only component of net debt, and there are therefore no changes other than as detailed above.

The notes on pages 22 to 38 form part of these financial statements.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

COMPANY INFORMATION

The company is a private company, limited by guarantee and is incorporated in England & Wales. Its registered office address is Unit 10, Eclipse Office Park, High Street, Staple Hill, Bristol BS16 5EL. Milestones Trust meets the definition of a public benefit entity under FRS102.

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (“FRS 102”), and with the Companies Act 2006. They follow the recommendations in the Charities Statement of Recommended Practice (FRS 102). The Trustees have, in accordance with s.396 of the Companies Act 2006, departed from the standard format of the income and expenditure account in order to give a true and fair view and comply with the Statement of Recommended Practice.

The financial statements have been prepared on the historical cost basis except as specified in the accounting policies below. The financial statements are presented in Sterling (£) and are rounded to the nearest £.

Going concern

After reviewing the forecasts and projections, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future.

The Trust therefore continues to adopt the going concern basis in preparing its financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Costs of a capital nature are capitalised when they relate to new purchases of significant value. Direct replacements of assets such as white goods are treated as revenue expenditure.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method at the following rates:

| | |
|--------------------------------------|-----------|
| Freehold properties (excluding land) | 2% |
| Furniture, fittings and equipment | 10% - 20% |
| Motor vehicles | 20% |

Impairment reviews are conducted where there is some indication that impairment has occurred. Impairment losses are recognised to the extent that the carrying amount of an asset is considered to exceed its recoverable amount.

Due to the difficulty in identifying the large number of individual items of furniture, fittings and equipment, items of this nature are treated as disposed of in the financial statements once fully depreciated.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated so as to allocate the cost of intangibles less their estimated residual values over their estimated useful lives, using the straight-line method at the following rates:

| | |
|----------------------------|-----|
| Software development costs | 20% |
|----------------------------|-----|

Investments

Listed investments are valued at fair value, being their mid-market value at the balance sheet date.

Debtors and creditors

Debtors and short term creditors are measured at the transaction price.

Cash balances and financial instruments

Cash balances and basic financial instruments are initially accounted for at their transaction price except for financing transactions, including bank loans, which are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of financial activities on a straight-line basis over the term of the lease, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the accounting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a discount rate. The unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months. The provision is measured at the salary cost payable for the period of absence.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Restricted funds

These are earmarked by the donor or grantor, or the terms of an appeal, for specific purposes within the overall aims of the charity. The donation or grant and income deriving therefrom must be used in accordance with the specific purposes. Restricted funds may be of a capital or a revenue nature. In the latter case the restriction is discharged once the donation or grant is expended as required.

Income

Income from donations and legacies includes grant income and is recognised on a receivable basis in the appropriate fund.

Incoming resources from charitable activities are recognised on a receivable basis and consist principally of charges for the provision of residential and nursing care and related services. Incoming resources are allocated to charitable activities based on actual amounts received. Contract income received in advance of the period to which it relates is deferred.

Historically, capital grants were received in the form of land and buildings to be used for the provision of accommodation for residents with learning disabilities or mental health needs. These properties cannot be sold without repayment of the related capital value. These grants are therefore accounted for as Restricted Capital Funds. The relevant assets are depreciated in accordance with the depreciation policy and the value of the Restricted Capital Fund is reduced accordingly.

Expenditure

All resources expended are included in the Statement of Financial Activities during the period in which they are incurred, on an accruals basis and inclusive of any VAT which cannot be recovered since the Trust is not registered for VAT.

Support costs and governance costs are allocated to charitable activities except for a small proportion of support costs that have been allocated to costs of generating voluntary income, together with specific costs incurred.

Pension costs

Contributions payable to defined contribution pension schemes are charged to the income and expenditure account in the period to which they relate.

Contributions payable to the National Health Service pension scheme are charged to the income and expenditure account in the period that they arise. The scheme is a multi-employer scheme in which it is not possible for the Trust to identify its share of the underlying assets and liabilities, and the Trust is therefore exempted from some of the disclosure requirements of FRS 102.

Charitable commitments

Charitable commitments relate to the provision of continuing care for existing people being supported. All future charitable commitments will be met from future funding, via contract income from Social Services and Health Service commissioners, and residents' contributions. Future expenditure in respect of charitable commitments is therefore not recognised in the financial statements.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Termination benefits

Liabilities for termination benefits are recognised when the Trust is committed to terminating an employee's employment before normal retirement date. The liability is calculated as the best estimate of the cost at the reporting date.

3. INCOME FROM DONATIONS AND LEGACIES

| | 2024 £ | 2023 £ |
|--|-----------|-----------|
| Restricted capital grant | 66,220 | - |
| Restricted income donations | | |
| Donations from Quartet | 10,287 | 29,544 |
| Other restricted grants and donations | 81,467 | 48,230 |
| | 91,754 | 77,774 |
| Total restricted grants and donations | 157,974 | 77,774 |
| Unrestricted grants and donations | 60,450 | 70,577 |
| | 218,424 | 148,351 |

All restricted donations have been received for a specific purpose. The restricted capital grant received of £66,220 was fully spent in the year. £48,850 of restricted income grants had not been spent at 31 March 2024. This amount is therefore carried forward as part of restricted funds (note 25). All other donations and grants were spent during the year and the restrictions have therefore been discharged. Equivalent transfers have therefore been made to the unrestricted income fund.

4. INCOME FROM INVESTMENTS

| | 2024 £ | 2023 £ |
|--|-----------|-----------|
| Interest receivable | 151,867 | 20,949 |
| Income from stock exchange investments | 80,926 | 60,229 |
| | 232,793 | 81,178 |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | 2024 | 2023 |
|--|-------------------|-------------------|
| | £ | £ |
| Health authority grant | 423,813 | 426,881 |
| Contract income | 30,089,587 | 28,058,539 |
| Service user contributions | 939,160 | 912,122 |
| PCT funding re increased pension contributions (note 27) | 45,786 | 44,907 |
| Other operational income | 7,616 | 16,259 |
| | <u>31,505,962</u> | <u>29,458,708</u> |

6. EXPENDITURE ON CHARITABLE ACTIVITIES

| | 2024 | 2023 |
|---------------------------------------|--------------------------|--------------------------|
| | £ | £ |
| Staff costs | | |
| Employee costs | 19,400,765 | 16,526,797 |
| Agency staff costs | 2,702,588 | 5,628,474 |
| | <u>22,103,353</u> | <u>22,155,271</u> |
| Non-Pay costs | | |
| Food and household | 558,279 | 547,224 |
| Operational training | 65,179 | - |
| Residents' amenities | 111,948 | 135,116 |
| Travel costs | 213,535 | 238,737 |
| Telephone | 104,298 | 101,665 |
| Stationery and office expenses | 67,659 | 50,357 |
| Hygiene and medical | 252,589 | 209,206 |
| Bad debts | 37 | 4,094 |
| | <u>1,373,524</u> | <u>1,286,399</u> |
| Property costs | | |
| Utilities | 794,752 | 874,700 |
| Registration fees | 37,321 | 43,758 |
| Loan interest | - | 308 |
| Rent | 365,351 | 360,536 |
| Fixtures, repairs and maintenance | 1,623,940 | 1,950,576 |
| Property management charges | 56,700 | 66,563 |
| Depreciation | 343,847 | 387,036 |
| Council tax | 94,908 | 95,945 |
| | <u>3,316,819</u> | <u>3,779,422</u> |
| Support costs reallocated (note 7) | 4,304,638 | 4,217,882 |
| Governance costs reallocated (note 8) | 36,203 | 39,096 |
| TOTAL EXPENDITURE | <u><u>31,134,537</u></u> | <u><u>31,478,070</u></u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

7. SUPPORT COSTS

| | 2024 | 2023 |
|---|------------------|------------------|
| | £ | £ |
| Head office property costs | 225,167 | 242,770 |
| Head office staff costs | 2,385,102 | 2,307,580 |
| Head office agency costs | 44,254 | 6,266 |
| Staff training and development | 95,865 | 132,999 |
| Staff recruitment | 84,333 | 117,664 |
| Staff and payroll support costs | 274,730 | 287,973 |
| Information technology | 526,581 | 572,532 |
| Insurance | 164,866 | 151,157 |
| Office consumables | 118,642 | 101,071 |
| Legal and professional fees | 150,374 | 127,984 |
| Bank charges | 66,349 | 12,349 |
| Marketing | 45,701 | 39,897 |
| Head office depreciation | 112,669 | 117,002 |
| Other head office expenses | 31,635 | 21,833 |
| | ----- | ----- |
| | 4,326,268 | 4,239,077 |
| Less 0.5% recharge to expenditure on raising funds (note 9) | (21,630) | (21,195) |
| | ----- | ----- |
| | <u>4,304,638</u> | <u>4,217,882</u> |

8. GOVERNANCE COSTS

| | 2024 | 2023 |
|--|---------------|---------------|
| | £ | £ |
| Reimbursement of Trustees' expenses | 1,699 | 1593 |
| Trustees' meeting, training and recruitment costs | 4,958 | 5,023 |
| External auditors' fees | 18,563 | 22,024 |
| Recharge 5% salary costs for Chief Executive and Director of Finance | 10,983 | 10,456 |
| | ----- | ----- |
| | 36,203 | 39,096 |
| | <u>36,203</u> | <u>39,096</u> |

No remuneration has been paid to any Trustee or any person connected with a Trustee. Expenses were paid to four (2023 four) Trustees in respect of mileage and other expenses incurred.

Trustee indemnity insurance is in place, but the individual premium cost cannot be separated out from other combined policy premiums.

9. EXPENDITURE ON RAISING FUNDS

| | 2024 | 2023 |
|---|---------------|---------------|
| | £ | £ |
| Fundraising staff costs | 24,510 | 12,413 |
| Recharge 0.5% of support costs (note 7) | 21,630 | 21,195 |
| | ----- | ----- |
| | 46,140 | 33,608 |
| | <u>46,140</u> | <u>33,608</u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

10. STAFF COSTS

| | 2024 | 2023 |
|--|-------------------|-------------------|
| | £ | £ |
| Wages and salaries | 19,400,765 | 16,967,798 |
| Social security costs | 1,587,686 | 1,406,884 |
| Other pension costs | 448,265 | 397,015 |
| | <u>21,436,716</u> | <u>18,771,697</u> |
| Apprenticeship levy | 97,416 | 85,548 |
| | <u>21,534,132</u> | <u>18,857,245</u> |
| Remuneration costs of key management personnel | 478,213 | 448,783 |
| Redundancy and termination payments | 115,206 | 180,916 |
| | <u>593,419</u> | <u>629,700</u> |

Key management personnel are considered to consist of the Chief Executive, Director of Finance, Director of Operations, Director of Human Resources and the Director of Estates, Facilities and Information Technology.

Agency staff are engaged when necessary to cover staff shortages or absences. Agency expenditure during the year ended 31 March 2024 amounted to £2,746,842 (2023 £5,634,740).

11. EMPLOYEES

The average number of employees during the year was as follows:

| | Average number | | Whole time equivalents | |
|-------------------------------|----------------|------------|------------------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| Management and administration | 59 | 59 | 59 | 59 |
| Care staff | 870 | 817 | 670 | 637 |
| | <u>929</u> | <u>876</u> | <u>729</u> | <u>696</u> |

Employees whose emoluments fell within the following ranges were as follows:

| | 2024 | 2023 |
|----------------------|------|------|
| £60,000 to £70,000 | 0 | 2 |
| £70,000 to £80,000 | 4 | 1 |
| £80,000 to £90,000 | 1 | 0 |
| £90,000 to £100,000 | 0 | 0 |
| £100,000 to £110,000 | 1 | 1 |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

12. NET INCOME FOR THE YEAR

| | 2024 | 2023 |
|---|---------|---------|
| This is stated after crediting: | £ | £ |
| Profit on disposal of tangible fixed assets | 597,973 | 389 |
| and after charging: | | |
| Operating leases - property rental | 419,675 | 417,587 |
| - motor vehicles | 36,848 | 36,595 |
| Auditor's remuneration – audit fees | 23,640 | 18,353 |

13. TANGIBLE FIXED ASSETS

| | Freehold properties £ | Fixtures & equipment £ | Motor vehicles £ | Total £ |
|---------------------|-----------------------------|------------------------------|------------------------|-------------|
| COST | | | | |
| At 1 April 2023 | 20,999,313 | 343,734 | 374,053 | 21,717,100 |
| Additions | 1,148,998 | 7,707 | - | 1,156,705 |
| Disposals | (3,058,526) | (133,691) | (20,010) | (3,212,227) |
| At 31 March 2024 | 19,089,785 | 217,751 | 354,043 | 19,661,580 |
| DEPRECIATION | | | | |
| At 1 April 2023 | 7,635,727 | 321,260 | 348,457 | 8,305,445 |
| Charge for the year | 341,897 | 16,862 | 8,099 | 366,858 |
| Disposals | (1,218,017) | (133,691) | (20,010) | (1,371,718) |
| At 31 March 2024 | 6,759,607 | 204,432 | 336,546 | 7,300,585 |
| NET BOOK VALUE | | | | |
| At 31 March 2023 | 13,363,586 | 22,474 | 25,596 | 13,411,656 |
| At 31 March 2024 | 12,330,178 | 13,319 | 17,497 | 12,360,995 |

The net book value of freehold properties includes £1,992,437 (2023 £2,165,237) in respect of non-depreciable land.

The net book value of fixtures and equipment includes nil (2023 £9,060) in respect of assets held under finance leases.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

14. INTANGIBLE FIXED ASSETS

| | Software costs £ |
|---------------------|------------------------|
| COST | |
| At 1 April 2023 | 448,292 |
| Additions | 156,585 |
| Disposals | - |
| | ----- |
| At 31 March 2024 | 604,877 |
| | ----- |
| DEPRECIATION | |
| At 1 April 2023 | 231,002 |
| Charge for the year | 89,658 |
| Disposals | - |
| | ----- |
| At 31 March 2024 | 320,660 |
| | ----- |
| NET BOOK VALUE | |
| At 31 March 2023 | 217,290 |
| | ===== |
| At 31 March 2024 | 284,217 |
| | ===== |

Additions to intangible fixed assets include nil (2023 also nil) in respect of capitalised salary costs. The charge for amortisation of intangible fixed assets is included in the Statement of Financial Activities (page 20) within Expenditure on Charitable Activities (note 6). Software costs are amortised over a period of five years, a period that is in line with industry standards.

15. INVESTMENTS

| | 2024 £ | 2023 £ |
|--|-----------|-----------|
| Listed Investments | | |
| Valuation at 1 April 202 | 2,566,855 | 1,991,923 |
| Additions to investment funds | 80,926 | 712,403 |
| Realised (losses)/profits on disposal | (8,563) | (8,087) |
| Unrealised profits/(losses) on revaluation | 182,633 | (129,384) |
| | ----- | ----- |
| Valuation at 31 March 2024 | 2,821,851 | 2,566,855 |
| | ===== | ===== |

Listed investments represent amounts invested in the Barclays Managed Charities Fund. This is managed by Barclays' professional Fund Managers. The valuation above is based on the asset values reported by Barclays, which we consider to be a fair estimation of the realisable value of the fund assets. The investment is held to provide an investment return to the charity.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

16. DEBTORS

| | 2024 | 2023 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Operational debtors | 1,543,933 | 1,415,129 |
| Other debtors | 125 | 3,386 |
| Prepayments and accrued income | 259,604 | 226,424 |
| | <u>1,803,664</u> | <u>1,644,939</u> |

17. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2024 | 2023 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Finance lease creditor | - | 9,072 |
| Trade creditors | 1,315,658 | 999,709 |
| Tax and social security | 326,076 | 249,318 |
| Other creditors | 165,852 | 137,959 |
| Accruals and deferred income | 827,338 | 632,226 |
| | <u>2,634,926</u> | <u>2,028,284</u> |

18. MATURITY OF LONG TERM CREDITORS

Finance leases

| | 2024 | 2023 |
|--|----------|--------------|
| | £ | £ |
| Amounts falling due: | | |
| Within one year (note 17) | - | 9,072 |
| Within 1 to 2 years | - | - |
| | <u>-</u> | <u>9,072</u> |
| Less: amounts falling due within one year (note 17) | - | (9,072) |
| | <u>-</u> | <u>-</u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

19. PROVISIONS FOR LIABILITIES AND CHARGES

| | Pension deficit £ |
|------------------------------|----------------------------------|
| At 1 April 2023 | 10,405 |
| Paid during the year | (5,946) |
| Re-measurement of provision | 4 |
| Unwinding of discount factor | 397 |
| | ----- |
| At 31 March 2024 | <u>4,860</u> |

The pension deficit provision relates to the obligation to pay additional contributions to the Trustees of the TPT Retirement Solutions Growth Plan pension scheme in order to fund the deficit in value of that scheme (note 27). 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 5.31% (5.52% at 31 March 2023). The unwinding of the discount rate is recognised as a finance cost.

20. FINANCIAL INSTRUMENTS

| | 2024 £ | 2023 £ |
|---|--------------------|--------------------|
| Financial assets | | |
| Financial assets that are debt instruments measured at amortised cost | <u>20,655,422</u> | <u>18,753,406</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>(2,639,786)</u> | <u>(2,038,689)</u> |

Financial assets measured at amortised cost comprise tangible and intangible fixed assets, trade debtors, other debtors and bank balances.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and provisions.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds invested in fixed assets £ | Balance of unrestricted funds £ | Restricted capital fund £ | Restricted income fund £ | Total funds £ |
|--|--|--|---------------------------------|--------------------------------|---------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 10,027,628 | - | 2,333,367 | - | 12,360,995 |
| Intangible assets | 284,217 | - | - | - | 284,217 |
| Investments | - | 2,821,851 | - | - | 2,821,851 |
| | ----- | ----- | ----- | ----- | ----- |
| Total fixed assets | 10,311,845 | 2,821,851 | 2,333,367 | - | 15,467,063 |
| | ----- | ----- | ----- | ----- | ----- |
| CURRENT ASSETS | | | | | |
| Debtors | | 1,803,664 | - | - | 1,803,664 |
| Cash at bank and in hand | - | 6,157,696 | | 48,850 | 6,206,546 |
| | ----- | ----- | ----- | ----- | ----- |
| Total current assets | - | 7,961,360 | | 48,850 | 8,010,210 |
| CREDITORS: Amounts falling due within one year | | | | | |
| | - | (2,634,925) | - | - | (2,634,925) |
| | ----- | ----- | ----- | ----- | ----- |
| Net current assets | - | 5,326,435 | - | 48,850 | 5,375,284 |
| | ----- | ----- | ----- | ----- | ----- |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 10,311,845 | 8,148,286 | 2,333,367 | 48,850 | 20,842,348 |
| PROVISIONS for liabilities and charges | | | | | |
| | - | (4,860) | - | - | (4,860) |
| | ----- | ----- | ----- | ----- | ----- |
| NET ASSETS AT 31 MARCH 2024 | 10,311,845 | 8,143,426 | 2,333,367 | 48,850 | 20,837,487 |
| | ===== | ===== | ===== | ===== | ===== |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

22. MOVEMENT OF FUNDS

| | Unrestricted funds invested in fixed assets | Balance of unrestricted funds | Restricted capital fund | Restricted income fund | Total funds |
|---|---|-------------------------------------|----------------------------|---------------------------|-------------------|
| | £ | £ | £ | £ | £ |
| AT 1 APRIL 2023 | 11,519,193 | 5,367,972 | 2,350,428 | 43,980 | 19,281,573 |
| Surplus(deficit) for the year ended 31 March 2024 | - | 1,484,825 | 66,220 | 4,870 | 1,555,915 |
| Transfers between funds | (1,207,349) | 1,290,630 | (83,281) | - | |
| AT 31 MARCH 2024 | <u>10,311,844</u> | <u>8,143,425</u> | <u>2,333,367</u> | <u>48,850</u> | <u>20,837,488</u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

23. UNRESTRICTED INCOME FUNDS

The unrestricted income funds consist of:

Funds invested in tangible and intangible fixed assets – being the value of tangible and intangible fixed assets (notes 13 and 14) less the value of loans secured thereon (note 19), less restricted funds invested in fixed assets (note 25).

Investment revaluation reserve – being cumulative unrealised gains less unrealised losses arising on the investment portfolio (note 15).

Funds available for use – being the balance of unrestricted funds.

24. RESTRICTED FUNDS

Restricted funds represent capital or income donations or grants received by the Trust for specific purposes. In the case of restricted income donations or grants the restriction is discharged once the donations or grants are expended as required.

Restricted capital fund

It was a condition of capital grants received in the past that properties purchased continue to be used for specified charitable purposes and grants received were secured by legal charges in favour of the Secretary of State for Health (SoSH). If the properties cease to be used for these purposes or are sold without authorised reinvestment, then a proportion equivalent to the level of the legal charge (49.8% to 100%) of the market value of the property is repayable to the SoSH. The restriction in respect of these grants was therefore not discharged when the properties were purchased. These grants continue to be reflected in the balance on restricted funds, but are stated net of amounts released annually to the unrestricted income fund to offset related depreciation charges. There were ten such properties at 31 March 2024.

Restricted income fund

During the year ended 31 March 2024, there were restricted income donations and grants amounting to £91,754 (2023 £77,774). See note 3 for further details of donations and grants received. The restrictions have been discharged in respect of restricted income donations and grants amounting to £86,883, including some donations and grants received in prior years, and an equivalent transfer has therefore been made to the unrestricted income fund.

25. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2024 (2023 nil).

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

26. OPERATING LEASE COMMITMENTS

At 31 March 2024 there were the following total commitments under non-cancellable operating leases:

| | Land and Buildings 2024 £ | Motor Vehicles 2024 £ | Land and Buildings 2023 £ | Motor Vehicles 2023 £ |
|----------------------------------|------------------------------------|--------------------------------|------------------------------------|--------------------------------|
| Expiring within one year | 334,507 | - | 333,052 | - |
| Expiring in two to five years | - | - | - | - |
| Expiring in more than five years | - | - | - | - |
| | ----- 334,507 ===== | ----- - ===== | ----- 333,052 ===== | ----- - ===== |

27. PENSION COSTS

The Trust participates in one defined contribution scheme and one defined benefit schemes. The assets of both pension schemes are held separately from those of the Trust in independently administered funds.

TPT Retirement Solutions – The Growth Plan Series 4

Contributions payable by the Trust to this defined contribution scheme, in respect of 869 employees (2023 848), amounted to £701,367 (2023 £305,893). Contributions totalling £415,404 (2023 £65,139) were payable to this fund at 31 March 2024 and are included in creditors (note 17). Both figures stated above re 2023/24 costs included £343,406 in respect of pension payment adjustments.

NHS Pension Scheme

Some employees of the Trust are eligible for membership of the NHS Pension Scheme. This is a multi-employer defined benefits scheme for the National Health Service and other approved organisations.

Contributions payable by the Trust to the NHS Pension Fund during the year, in respect of 29 employees (2023 also 29), amounted to £88,604 (2023 £84,723). Employers' and employees' contributions totalling £11,203 (2023 nil) were payable to this fund at the balance sheet date and are included within other creditors (note 17).

Due to the nature of the scheme, the Trust is unable to identify its share of the underlying assets and liabilities and, in accordance with FRS 102, the Trust is therefore exempted from providing details of these. The cost of pensions are met by a level percentage contribution called the Normal Contribution rate, calculated by the Government Actuary on the basis of quinquennial valuations using the prospective benefits valuation method.

The most recent valuation, published in February 2019, was for the four years from 2012 to 2016. This is a public document available from HM Stationery Office and for a more complete understanding it should be reviewed in its entirety.

The most recent actuarial valuation showed that the value placed on notional investments at 31 March 2016 amounted to £278.1 billion and that the present value of benefits accrued to members amounted to £297.5 billion, net of the present value of future contributions by current members. There was therefore a deficiency at 31 March 2016 amounting to £19.4 billion.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Most existing NHS pension scheme members were transferred to a new scheme (“the 2015 scheme”) on 2015. The previous actuarial valuation was required to take account of the impact of the introduction of this scheme. It concluded that the employer contribution rate for the period from 1 April 2015 to 31 March 2020 should be increased to 14.3% of pensionable pay.

The latest actuarial valuation concluded that the employer contribution rate should be increased to 20.6% of pensionable pay for the period from 1 April 2020 to 31 March 2023 to meet the cost of scheme benefits. The Department of Health and Social Care (DHSC) confirmed this increase, but the Government committed to providing additional funding to meet this additional cost to employers. It was subsequently confirmed that for 2020/21 to 2022/23 the amount to be collected from employers would continue at 14.3% (plus 0.08% administration charge) and that central payments would be made by NHS England and by DHSC to cover the remaining cost. In January 2022 it was announced that these arrangements would continue for a further year, until 31 March 2024.

TPT Retirement Solutions – The Growth Plan Series 3

Prior to 1 October 2012 employees were eligible for participation in Series 3 of The Pensions Trust’s Growth Plan (the Plan). On 1 October 2013 the Plan was closed, and all employees within the Plan were transferred to Series 4, a defined contribution scheme (see above). Although the Plan is now closed, details are included here as the Trust has a number of actual and potential future liabilities relating to it.

The Plan is a multi-employer pension plan that provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Trust to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme and therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the 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 scheme is classified as a “last-man standing arrangement”. Therefore, the 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.

A full actuarial valuation of the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3 million, liabilities of £831.9 million and a deficit of £31.6 million. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

*Deficit contributions from 1 April 2022 to 31 January 2025
£3,312,000 per annum, payable monthly*

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9 million, liabilities of £926.4 million and a deficit of £131.5 million. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

*Deficit contributions from 1 April 2019 to 30 September 2025
£11,243,000 per annum, payable monthly and increasing by 3% each year on 1 April*

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities. The Trust recognises a liability for this obligation, being the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The net present value of the Trust's provision is £4,860 (2023 £10,405). See note 20 for details of the calculation of this provision.

28. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year or the prior year.

29. LIMITED LIABILITY STATUS

The Trust is a company limited by guarantee with no share capital.

30. POST BALANCE SHEET EVENTS

As noted in the Trustees' report, the Trust is in the process of merging with another smaller charitable Trust. The White Horse Care Trust will become part of Milestones Trust in November 2024. The decision to progress with the merger was taken by the Board of Trustees at their meeting on 24th June 2024.

MILESTONES TRUST

England & Wales - Charity number 294377

Accounts

ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023

MILESTONES TRUST

Unit 10, Eclipse Office Park, High Street, Staple Hill, Bristol BS16 5EL

Telephone: (0117) 970 9300 Fax: (0117) 970 9301

Company number 02011021 Charity number 294377

www.milestonetrust.org.uk

MILESTONES TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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MILESTONES TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Registered office and principal address:

Unit 10, Eclipse Office Park
High Street, Staple Hill
Bristol BS16 5EL

Trustees and directors:

D Nordberg (Chair)
D D Wilson
S Cummings
T S Jenkinson
S J Jones
D B Sarpong
S U Begum (appointed 27 September 2022)
N G Baines-Thomas (appointed 27 September 2022)
D F Elder (appointed 27 September 2022)
J H Self (resigned 27 June 2022)
P M Collins (retired 27 September 2022)
J E Buswell (retired 27 September 2022)
K Pattison (resigned 31 December 2022)
N L McKen (resigned 27 March 2023)

Secretary:

H A Pearce

Key Management Personnel:

H Crowhurst - Chief Executive
H A Pearce - Director of Finance
J Parry - Director of Operations
G Meehan - Director of Human Resources
M Beavis - Director of Estates, Facilities & IT (resigned 18 November 2022)
I Atkinson - Director of Estates, Facilities & IT (appointed 14 November 2022, resigned 28 April 2023)

Auditor:

Mazars LLP
90 Victoria Street
Bristol BS1 6DP

Solicitors:

RWK Goodman
5-6 Northumberland Buildings, Queens Square
Bath BA1 2JE

Lyons Davidson
43 Queens Square, Bristol BS1 4QP

Bankers:

National Westminster Bank
Floor 2, Trinity Quay 2, Avon Street
Bristol BS2 0PT

Investment advisors:

Barclays Wealth Management
1 Churchill Place, Canary Wharf
London E14 5HP

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

Reference and administrative details

This Annual Report forms the Trustees' report for the purposes of Section 162 of the Charities Act 2011 and the Directors' report for the purposes of Chapter 5 of Part 15 of the Companies Act 2006. It also includes the Strategic Report required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006 and the Accounting and Reporting by Charities: Statement of Recommended Practice in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The Trust is a company limited by guarantee (number 02011021) and registered charity (number 294377). The details of Trustees, senior staff and professional advisors engaged by the Trust are set out on page 1.

Structure, Governance and Management

Like every organisation in the sector and every sector in the economy, Milestones Trust has seen its structure, governance and management tested through the Covid-19 crisis in 2020/21, during the post pandemic recovery in 2021/22 and now in 2022/23 with the cost-of-living crisis. We have seen Trustees depart as their terms of office ended. New Trustees have joined, and continue to join, bringing new perspectives and backgrounds. We have been very fortunate in recent years to have found Trustees with a wide range of knowledge and experience, in the sector and from outside it. This section of the report outlines the formal, structural elements of governance, how the Trust adapted to the challenges that Covid presented and has now turned attention to the future, developing an ambitious 4 year strategy focused on growth.

Milestones Trust is governed by the terms of its Principal Trust Deed and its Articles of Association. The Trust was incorporated on 16 April 1986. The Articles were revised and updated on 9th July 2018.

As set out in the Articles of Association, the Board of Trustees (who are directors for the purpose of company law) consist of no less than five members and no more than fifteen. All Trustees are appointed by resolution.

The term of office for a Trustee shall be three years, at the end of which they shall retire. A Trustee shall be eligible for reappointment by the Trustees for up-to a further two terms, each of three years. No Trustee shall serve for more than 9 consecutive years, unless the Trustees consider it would be in the best interest of the Trust for a particular Trustee to continue to serve beyond that point and that Trustee is reappointed in accordance with the Articles. The Board currently numbers 9.

Trustees are sought in a variety of ways to ensure that collectively they have the range of skills and experience required to govern a health and social care charity with a turnover in the region of £30 million. This means Trustees come from all walks of life, some with experience of health and social care, and some with experience of business or law or property management. Regular skills audits are conducted to guide the recruitment of new Trustees. In recent years the Trust has specifically used recruitment agencies specialising in business/executive recruitment to augment the skills and experience of the Trustees, as well as advertising locally and nationally. The Trust also aims to have a diverse membership with Trustees being representative of the communities in which we support people, wherever possible.

All Trustees undertake an induction, including an awareness of their governance responsibilities. Trustees are also offered the opportunity to attend other relevant training courses. The Trustees meet at least four times a year as a Board, as well as participating on committees. The committees are: Support & Development, Finance & Resources, and Governance & Risk. All committees meet several times a year and report to the Board. The primary roles of these committees are scrutiny and development of the future direction of the Trust, and their work and advice inform Board decisions.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The day-to-day running of the Trust is delegated to the Chief Executive, who exercises executive responsibility within a scheme of delegation to the Executive Management Team (Exec). The Exec is held accountable for the successful implementation of business plans, maintenance of standards, and financial management of the Trust. Their collective experience has proved invaluable in meeting the on-going challenges of operating in the social care sector,

The Trust plays an active role in the local health and social care communities, where it operates, principally in Bristol, South Gloucestershire and North Somerset. Trust staff and the people we support are encouraged to participate in opportunities to comment on and shape service developments. Trust staff serve on a range of groups, from local authority providers' forums to specific service improvement groups.

Our membership of VODG (Voluntary Organisation for Disability Groups) and Care & Support West, a regional organisation of service providers, assist the Trust to lobby on national and local policy issues which affect it strategically and operationally.

The Trust's key partnerships are with the local authorities, namely Bristol, South Gloucestershire and North Somerset, and the new healthcare partnership organisations Integrated Care System Boards (ICBs), which now incorporate the previous work of clinical commissioning groups. The two ICBs we work with are those of Bristol, North Somerset and South Gloucestershire (BNSSG) and of Bath & North East Somerset, Swindon and Wiltshire (BSW). These authorities commission a significant proportion of the Trust's services, and these relationships are strong, enabling close partnership working.

Objectives and Activities

The Trust's objective, set out in the Articles of Association, is 'to promote and protect the health and wellbeing of people with autism, cognitive impairment, dementia or other mental or related health needs by providing nursing, social care, accommodation, education, training and support'.

Vision & Mission Statement

Milestones Trust's vision is that people have opportunities to live happy and fulfilled lives.

The mission is: 'to achieve our vision by promoting health, wellbeing, independence and engagement for people living with learning disabilities, mental health needs and dementia'.

The Trust's core values can be found on the Trust's website (www.milestonestrust.org.uk).

Strategic Plan

During 2022 and early 2023 the Trust developed its Strategy for 2022 – 2026, and this was approved by the Board in March 2023.

Strategic Focus for 2023/24

The three key areas for focus in 2023/24 are:

- Improve the quality and impact of our support.
- Develop our organisational culture.
- Grow as a strong organisation.

Milestones Trust supports people with learning disabilities and enduring mental health needs and offers a range of support in residential and nursing care, supported living, short breaks and day opportunities. Nursing and residential care is offered in 28 homes serving 226 people. The homes range from small domestic properties accommodating 4 or 5 people, to some larger specialist nursing homes registered for 14 or 15 people. Of these 28 homes, the Trust owns 24; the remainder are leased from housing associations or local councils.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trust operates 38 Supported Living services, a mix of support with accommodation (29 services) and care packages to people in their own homes (9 services), plus numerous smaller individual packages. Of the supported living accommodation, 12 properties are owned by the Trust, the remainder are leased from housing associations or local councils. Promoting independence has always been one of the Trust's aims and enabling people to gain increased rights (and responsibilities) by becoming tenants is an important positive step on this journey. Around 200 people are supported to live the life they choose through these services.

The Trust also supports circa 50 people to access day opportunities in our "Stepping Forward" services which operate from two bases, one in Bristol and one in South Gloucestershire. Although numbers fluctuate, approximately a further 90 people access our short breaks services. The total number of people supported by the Trust therefore is circa 565.

The Trust continues to reduce (and de-register) residential provision, in which the building and service is registered with the Care Quality Commission (CQC), and increase supported living, where personal care for individuals is CQC-registered. Expanding our range of services, and the commissioners and people we support that we work with, maximising opportunities for co-production, is integral to our aim to grow as an organisation in the coming years. The resilience and innovation displayed by our workforce in the recent pandemic years will allow us to develop further our organisational culture, in line with our strategy.

All the Trust's services are rated good or outstanding by CQC, a significant achievement, yet the Trust strives to further improve quality and the impact of our support for the people we support.

Public Benefit

We have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

The principal means by which the Trust provides opportunities for those who cannot afford the fees for our services is through the provision of support to people funded/part funded by local or health authorities.

We are also furthering the mission and aims of the Trust through the provision of services over and above those funded by public contracts through donations from grant making Trusts and Foundations, corporate partners and grants awarded by local and national government departments. We organise community events that promote the inclusion of beneficiaries with their fellow citizens and encourage neighbours/neighbourhoods to attend 'fun' events that help break down prejudices/barriers to social inclusion. Our arts activities, under 'Expressions', provide people we support with opportunities to explore their creativity and opportunities for the general public to appreciate the abilities of all those who use our services. Our 'Warmley Wheelers' initiative offers accessible bikes so people with varying abilities are able to enjoy cycling. We also support music sessions under the banner of 'Music Train' which encourage participation, and sponsorship, from the wider community.

We work with other organisations to participate in local and national networks to promote/highlight the needs of our beneficiaries and, where possible, support beneficiaries to advocate/participate themselves.

STRATEGIC REPORT

Achievements and Performance

The Trust publishes an Annual Review (available on our website, www.milestonetrust.org.uk) that illustrates the achievements of the people we support and our staff. It illustrates how the Trust "lives" its values.

The health and social care environment has always been a demanding one, and for 2022-23 the impact of the Covid-19 pandemic continued to be felt in terms of the challenges faced, particularly in the first half of the year, and especially with staff recruitment and retention and therefore agency use.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The result was a significant overspend on staffing costs in the first six months of the year, but this improved after a number of initiatives started to have a positive impact in terms of recruitment, agency usage and cost, and staff utilisation generally.

The Trust sadly closed our 45-bed specialist dementia service, Humphry Repton House, in June 2022 due to its financial performance, the referral and staffing challenges that were exacerbated by Covid-19, and the significant investment required to modernise the building. We were able to redeploy a significant number of staff and offer services to a small number of people we formerly supported. The closure happened on schedule and within budget, despite the size and complexity of the task. The building was sold in July 2023 for redevelopment to housing, and the sale proceeds will enable the Trust to invest in the future in services/buildings which have a better strategic fit.

Three other, smaller properties, also closed during 2022/23 due to similar issues and the geographical location of some of the properties making staff recruitment very difficult. The people we supported in these services moved into new placements, predominantly within Milestones, and we retained many of the staff too. The buildings have been, or will be, sold and the proceeds will be reinvested in future services.

Despite all those challenges, the year under review has seen some very encouraging achievements, many of which will put the Trust in a better position for the rest of 2023/24 and beyond:

- Maintaining quality remains a key focus. We have received four on-site CQC inspections all with a focus on the Well Led and Safe key areas, and all these services maintained their Good ratings in these 2 areas and overall. As with last year, we are pleased to report that 100% of our registered settings are rated as Good or Outstanding. Three services have received direct monitoring activity (DMA) calls from CQC. These calls form part of CQC's new single assessment framework inspection approach and will be a permanent fixture as their new approach is rolled out. All three services received complimentary reports following these calls. Our internal audit processes are well established and give focused support to services, this year we undertook slightly fewer in person annual audit visits to services but utilised more desktop monitoring and self-assessments.
- Following implementation of our HRIS (Human Resources Information System) and Time and Attendance (e-rostering) modules we have introduced robust workforce information tools utilising Microsoft Power-BI to understand our workforce deployment requirements throughout the organisation. This enables more responsive and effective decision making, and efficiencies in how staffing is deployed throughout the organisation have been found through utilising the available workforce information. This has been a key factor in improving financial performance in the latter half of the year.
- In December 2022, the Trust implemented a Neutral Vendor solution for agency supply to replace existing direct relationships with recruitment agencies. The move to a neutral vendor solution has provided the Trust with improvements in shift fulfilment, with an average fulfilment rate of 98%, and significant cost savings for agency supply. Since December 2022 the Trust benefited from an 18.07% cost reduction on the hourly rate for agency supply, saving over £0.25m.
- The Trust has seen an improvement in its recruitment of staff due to an increase in candidate attraction through the use of social media, attending local community events and word-of-mouth referrals, and the Trust's vacancy factor has reduced from 21.73% in July 2022 to 14.40% in July 2023.
- The number of volunteers increased in the year, from a total of 48 in 2021/22 to 65 in 2022/23. Volunteers gave an average of 130 hours a week, spending time with individuals and with groups of people we support and in community projects such as Warmley Wheelers and Expressions. In addition, we welcomed another 117 volunteers from corporate volunteering programmes, providing 26 team days working in our services, an important development of the Trust's volunteer programme. A corporate volunteer said: "All the volunteers had a great day. It was really rewarding to see the difference we could make in a short amount of time!" A member of staff said: "The team were amazing. They got so

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

much done and they involved the people we support too." The estimated value of individual and corporate volunteering for 2022/23 is over £90,000.

- A Volunteering and Involvement Lead (VIL) was recruited in July 2022 and an Involvement Co-ordinator appointed in January 2023. An Involvement Strategy is in development and is being co-produced by staff and Experts by Experience. The VIL has reinitiated our user's forum, Voices 4 Choice, as a face-to-face meeting and there will be opportunities for Trustees to engage in these again and to share ideas, as well as more informally in activities such as our 'walk and talk' events. People we support continued to be involved in the recruitment process for senior and support services staff and Trustee roles and those who are 'paid experts by experience' attended meetings to talk about developing employment contracts for paid work. Milestones Trust were successful in applying to lead the involvement work for the South Gloucestershire Learning Disability Partnership Board.
- We received over £70,000 in fundraising and donations, of which over £50,000 was obtained for the ongoing provision of Warmley Wheelers and the Music Train. Calls on grant-giving organisations have generally increased this year amidst the cost-of-living crisis, which has directed focus towards supporting food banks and low-income families. Due to the Trust's receipt of statutory funding from local authority commissioners, we typically fundraise for 'value adding' activities, such as our community projects and nonessential but life-enhancing service improvements, and, therefore, our fundraising success this year has been an achievement. Future fundraising efforts will look to secure sponsorship for an Expressions exhibition in 2024.
- We successfully implemented the important first phase of our Information Technology (IT) Strategy to support the strategic direction of the Trust. Significant improvements were made by developing a business process management function to provide system integration capabilities. Near real-time business performance reporting enabled the Trust leadership to make data driven decisions identifying ways to reduce cost and make efficiencies, most significantly, as noted above, in our workforce deployment. Other systems integrations reduced time spent manually updating multiple systems and improving data accuracy, consistency, and billing. Business continuity and cyber security; successful disaster recovery rehearsal carried out. External penetration test completed with no critical or high vulnerabilities identified. Cyber Insurance policy in place.
- Data Protection and Information Governance. We have adopted Keepabl, a Software as a Service (SaaS) product, as our comprehensive data protection management framework which gives us useful 'dashboard' reporting on all aspects of our GDPR obligations. The IGG (our cross departmental Information Governance Group) has continued to meet regularly ensuring appropriate oversight of data protection issues and a clear line to the Executive and the Trustees. We also organised a Cyber Escape room activity which was a great success, engaging staff in a fun activity around the importance of cyber security. Our annual data protection survey evidenced that most staff feel confident to take the appropriate action on data security and data sharing protection issues, and in June we submitted our Data Security Protection Toolkit (DSPT), achieving 'Standards Met' again.
- In July 2023 we launched a new staff intranet, capitalising on newly available functionality in our HR Information System, to give staff teams easy access to up-to-date information from across all departments, our community projects, and the wider Trust in a familiar and user-friendly environment.
- There was a return to face-to-face training aimed at new employees, staff requiring specialist training and specific training for managers, whilst retaining e-learning for appropriate subjects. We relaunched our management development suite of training and learning interventions, for existing and aspiring managers and introduced our Competency Framework for Operational staff to support career development within the organisation and underpin the high-quality services we already offer to the people we support.

At the beginning of the financial year, we embarked on a significant operational management restructure, replacing two Divisional Directors and 6.48 full time equivalent (FTE) Area managers with four Senior Operational Managers (SOM), each of whom are responsible for managing a budget of between £5.5m and

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

£6.5m. These are business management positions, with an emphasis on the performance and growth of their sub-divisions (Learning Disabilities Nursing and Residential Services; Mental Health Services; Learning Disabilities Supported Living Services; and Learning Disabilities Specialist Services, which includes Respite, Day Opportunities, and Positive Behaviour Support (PBS) Services). Each SOM has reviewed the services within their remit, ensuring they comply to the expected financial and quality targets. Specific workstreams have included:

- The final roll-out of our strategic approach to nursing delivery
- The re-organisation of short breaks provision
- The restructure of Supported Living management arrangements
- The procurement of a digital care planning solution
- The roll-out of a neutral vendor solution for agency bookings

More information regarding these workstreams is below.

In addition, the SOMs have been able to use the suite of management information tools introduced at the beginning of the year to assist with the identification and turnaround of poorly performing services. The use of the HRIS system and the analytic capabilities of Power-BI have allowed for granular examination of delivery hours, agency use and staffing information. This has allowed weekly “deep dives” into service performance and real time interventions, an approach which was instrumental in the financial turnaround we saw in the latter half of the year.

- The short breaks contractual arrangements were reviewed with concerns regarding financial performance and the effective use of the jointly commissioned block contract. This has now been renegotiated, with a smaller block short breaks service operating at Stibbs House and providing 24-hour nursing provision, and a spot contracted residential service at Fairburn.
- Supported Living management, which had consisted of a significant number of part time Service Co-ordinators and six service managers overseeing a range of services has been rationalised. Four full time Service Managers now oversee a defined group of services with identified co-ordinators working with each. The service managers have accountability for the quality and financial performance of the services under their control, and are in the process of becoming CQC registered, giving parity of responsibility with similar roles in residential services.
- Building on the new systems introduced in late 2022 and early 2023, we began procurement of a digital care planning solution, which will allow us to meet the expectations of CQC and commissioners by providing a modern and integrated replacement for the paper systems currently in use. We have worked closely with all stakeholders, carefully co-producing a list of system requirements. Working in such an inclusive way has shifted the expectations of staff, and prepared the ground for the significant cultural change which it will bring when it is fully rolled out.
- The introduction of the Neutral Vendor system, outlined above, was a notable change programme, with new systems, processes and responsibilities required to ensure effective operation. Systems change of this nature, rolled at with the speed it happened in the run-up to Christmas would have been unthinkable a year earlier. It is therefore also significant as a marker for how radically organisational culture has changed this year.

Financial Review

The majority of the Trust’s income consists of contract income from Local Authorities and local health commissioners. The amounts shown under ‘donations and legacies’ this year returned to more normal levels as all the specific government grant income to help with the exceptional cost pressures of Covid-19 pandemic ceased in 2021/22.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

2022/23 was again a challenging year financially, with recruitment, staff retention and reliance on agency the overarching issues facing the Trust for the first 6 months of the year. As noted earlier in the trustees report the initiatives that were focused on, such as recruitment and agency usage and costs, improved systems and management information, as well as focused management attention on financial performance, bore fruit in the second half of the year with results steadily improving. Nevertheless, the impact of the first six months could not be reversed, and it is true to say therefore that the social care staffing crisis again had the biggest impact on our financial performance and was the primary reason behind the operational deficit generated for the year of (£1,774,271). Other factors were the significant costs incurred of over £430,000 to enable the smooth closure of Humphry Repton House and also the investment of over £230,000 on the Trusts Information Technology strategy. After losses on the investment assets of (£137,471), the statement of financial activities shows a deficit of (£1,911,742) (2022 deficit £415,128). The Statement of Cash Flows on page 21 reflects the performance for the year.

The Trust saw improved performance in the second half of 2022/23 and this has continued into 2023/24 with the first few months results achieving budget and agency spend in particular reducing dramatically to a far more sustainable level. The Trust has set a reasonable operational surplus budget for 2023/24 and despite continued uncertainties around the rate of inflation, national and world events, is confident of achieving a surplus in 2023/24. The Strategic Priorities for 2022/23 were those of financial recovery, maintaining quality and growth, and the Trust is pleased that the operational management restructure in early 2022 facilitated the changes needed, as described in Achievements and Performance.

Despite the challenging financial year, demand for Trust services and the underlying Trust Balance Sheet remain sound. As at 31 March 2023, Net Current Assets stood at £3,096,176 (2022: £5,174,777), and Net Total Assets were £19,281,572 (2022: £21,193,314). The Trust is also clear of debt with no outstanding loans or mortgages.

The importance of acting swiftly to ensure that the Trust can return to achieving surpluses in normal operating conditions remains foremost in our efforts, underpinning the strategy for 2022 – 2026. The importance of maintaining reserves and safeguarding the Trust's financial position is vital to the wellbeing of all the people we support now, and hope to support in the future, as well as to our staff.

Fundraising costs of £33,608 (see Note 9) relate primarily to the internal Trust costs attributed to supporting this function. During 2022/23 grants and donations of £148,351 were received, of which £77,774 were restricted, having been donated for specific purposes (see Note 3).

Reserves policy

The reserves policy will always seek to reflect the reality of the operating environment of the social care sector, as well as challenges or ambitions of the Trust. It will reflect the annual plan and strategy, as well as the organisational, strategic and major risks register.

The Finance & Resources Committee (FRC) annually reviews both the policy, to assess its relevance and effectiveness, and various elements of the organisation's risk profile to ensure that reserves targets are appropriate to the current circumstances. Any changes are recommended to the Trustees.

After the most recent review the FRC concluded that a risk-based reserves policy was still the most appropriate (as opposed to an actuarial/returns based policy) for the Trust, especially given financial performance, the social care recruitment crisis and the economic recession. The policy is based on a specific, tailored, risk-based approach which assesses what level of free reserves the Trust thinks is appropriate, and why.

In devising a tailored risk-based reserves policy, we have identified the elements of reserves that we wish to provide for and have established an appropriate value range for each. The reserve elements identified are:

- Working Capital.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

- Organisational Change Management Support Fund.
- Investment/Innovation Fund.
- Property Investment.
- Operating Risk. This is in 3 strands:
 - Emergency cover to provide for one or more catastrophic events (the Covid-19 pandemic could be seen as a catastrophic event)
 - A provision for the various risks identified throughout the organisation which could impact on the delivery of the strategy (monitored via a risk register)
 - Financial performance, acknowledging the risks of managing against budget in a volatile market

In consideration of the above risk elements, the Trustees determined an appropriate reserves target lay in the range of £6.50m to £12.25m (unchanged from the previous year, although the allocation of the reserves target within the various elements was amended). The target range was not achieved with reserves of £5.36 million as at 31 March 2023. Reserves are here defined as those Unrestricted Income Funds not invested in land and buildings and other tangible fixed assets (i.e., 'free' reserves). In view of the current sector trading conditions the policy also defines a minimum (or critical) reserves level of £3.5m, and the reserves held well exceeded this critical-reserves level.

The Trust will be continuing to invest in its IT strategy 2022/23 – 2024/25 and Trustees have agreed to commit from reserves (investment/innovation fund) the funds necessary to achieve this (see Plans for the Future section). The Trust also utilised its reserves (organisational change) to achieve the closure of Humphry Repton House in 2022. The sale of properties that are not fit for purpose in the summer and autumn of 2023 will add to the Trusts reserves by approx. £3m.

Investment Policy and Investment Portfolio Performance

The Trust holds an investment in the Barclays Managed Charities Fund. On a day-to-day basis the fund is managed by professional fund managers who have an investment objective to maintain a balance between capital appreciation and income, subject to a medium degree of risk.

The Trust has an agreed Investment Policy in place, and in line with that policy invested a further £700,000 into the Charity Fund in 2022/23. The Trust's investment portfolio, unsurprisingly, saw some volatility during the year as a direct result of market volatility caused by the cost-of-living crisis (energy prices, general inflation, interest rates) and the continued war in Ukraine. As at 31 March 2023, the total value of the portfolio stood at £2,566,855 (note 15) compared to £1,991,923 as at 31 March 2022. The value of income received on these investments during the year amounted to £47,826 (note 4), representing 1.8% of the year-end valuation. The Trusts policy has been to obtain a return on these investments that exceeds the return that would have been achieved from normal cash investments, while maintaining and growing (over the longer term) their value. However, in November 2022 the Trustees decided to pause taking the interest, and instead now reinvest it back into the portfolio.

Fundraising Policy

In its income generation activities Milestones Trust follows the requirements of charity legislation, money laundering and anti-corruption legislation and the standards promoted by the Fundraising Regulator and the Institute of Fundraising.

Milestones Trust therefore accepts financial support on the following conditions:

- The support can contribute to the furtherance of their charitable aims and objectives.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

- The Trustees are satisfied accepting such support will not cause adverse publicity which affects our standing in the community in which we operate, our ability to raise funds from other established supporters or which will be detrimental to our professional reputation as a service provider.
- The Trust will not endorse or approve the services of any company, in particular those associated with its work (undertakers, solicitors etc.) whether in return for financial or other support or not.
- The Trust will not sell any of its databases for any reason.

Risk Management

The major risks to which the charity is exposed, as identified by Trustees, have been reviewed and systems have been established to mitigate those risks. These risks and systems are reviewed regularly by Trustees. Some risks can be mitigated by insurance and the observance of policies and procedures, whilst others require the establishment of a level of reserves.

General risk

The Trust has continued to review and respond to developing risks, and building on the externally facilitated session held last year the process of risk management in the Trust is undergoing further focused work designed to improve the overall management of risks and trustee oversight.

Insurances (including Business Continuity cover) are maintained and reviewed annually to ensure they meet the needs of the business and were extended this year to cover cyber security risks. Business continuity planning is also maintained at a Trust-wide and service/home level.

The principal risks facing the Trust continue to relate to the consequences of the financial constraints upon the public sector funding of health and social care, exacerbated by the cost-of-living crisis, and the continued social care staffing crisis. This affects our ability to pay competitive rates of pay for staff who are required to be skilled and committed, and who have numerous other options within the job market. The issue of recruitment and retention has particularly impacted upon nurses, where there is still a national shortage. While we are working hard to overcome those issues and have seen some success towards the end of the year, particularly with our own nurse associates coming through, the Trust continues to need to use some agency staff, particularly nurses.

As described in this report the Trust had some real success in the latter half of the year with the implementation of action plans for recruitment, retention, and reduced reliance on agency. Where we now still need to use agency, we have a neutral vendor ensuring consistency of supply, better fulfilment rates and lower cost.

Going concern

The Trustees will ensure appropriate resources are available such as may be required, to enable day to day working capital requirements to be met for a period of at least 12 months from the date of approval of these financial statements.

The care sector saw the cost-of-living crisis compound the previous year's impact of the Covid-19 pandemic, but through the actions taken to manage and reduce costs and optimise the use of resources, as described in this report, the current position for the Trust looks more optimistic than it has for several years. The Trust has closed several loss-making services and has focused on financial turnaround and sustainability through a variety of actions and the last few months of 2022/23, and the start of 2023/24 have seen far more encouraging results.

Continued regular monthly reporting and forecasting, tight budget control and improving results, have led to the Trustees' conclusion that the long-term impact on the Trust should be modest. Therefore, the Trustees

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

anticipate that Milestones will continue to operate within its current financial projections and be able to tolerate a reasonable level of unforeseen circumstance.

Plans for the future: Our current strategy

Delivering responsive, reliable, high-quality, person-centred services has always been at the heart of our organisational strategy, and this continues.

Funding has been scarce for many years within social care, but despite these challenges we are aware that the need for our services has grown over the past years. There are still too many people with learning disabilities or mental health conditions who die early, lack employment, face loneliness or who are living in hospital settings because there are not sufficient services to meet their needs.

We will need to work with people we support and other key stakeholders to develop new and creative models of service delivery that continue to provide quality outcomes.

For 2023/24 the areas of focus are: improve the quality and impact of our support, develop our organisational culture, and grow as a strong organisation. Some of the key activities for the coming year under these three key priority areas are:

The quality and impact of our support:

We will:

- Launch new 'person-centred approach' champions who will roll out refreshed training to all support staff.
- Introduce electronic care plan recording that will help us evidence positive outcomes.
- Implement our revised strategy for short breaks.
- Launch our new transition service, delivering measurable outcomes for the people who use it. This new service at Graeme Close, will fill a gap identified by local Commissioners by offering transition support for people with complex needs in a supported living setting. The service will have two components: a ground floor, offering a shared living space within which people can learn coping strategies and independent living skills in a supportive environment which is located in the heart of a bustling and diverse area of Bristol; the upstairs service consists of four flats, offering a real opportunity for people to learn to cope without an intrusive staff presence, developing skills, building relationships and community links and becoming more independent. Crucially, this service will not be a home for life, but will offer a transitional experience and we will work with people from day one to identify sustainable and long-term options.
- Develop and implement our involvement and inclusion strategy, moving closer to real co-production with the people we support.
- Launch our new Mental Health strategy, using clusters of step up/step down services to offer people the support they need on their recovery path.

Our people, culture and organisational development

We will:

- Plan bespoke recruitment campaigns to make sure that we can reach local communities effectively.
- Continue our focus on rota optimisation planning and reduction in agency use. We will build on the success in 2022/23, through improved systems and processes, enabling increased manager scrutiny, and further supported by greater familiarisation with our newly implemented neutral vendor agency supplier.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

- Develop retention strategies that differentiate us by considering the needs and input of local services and their staff teams, and further recognise the cost-of-living pressures faced by our employees.
- Develop and roll out bespoke training for Mental Health, Nursing and those services supporting individuals with specialist needs.
- Roll out our management development strategy, by embedding our newly created Competency Framework, to support talent management and the high quality of our service delivery.

A strong and growing organisation

We will:

- Explore and test innovative and creative solutions designed to tackle the challenges faced by commissioners.
- Develop new services for younger people with higher levels of need. We described above our transitions service at Graeme Close, and we will also launch another new service at Lambrook Road, which will offer long term supported living accommodation and support for three younger adults with a learning disability and complex needs. This is in a vibrant and lively area of Bristol and aims to support people to build lives and grow in independence and confidence. The service is an adaptation of a residential care home but is being extensively remodelled to provide spacious and accessible accommodation.
- Work with people we support and colleagues to protect our environment and reduce our carbon footprint and use of plastics.
- Use the right IT in the right place to help reduce the time staff spend on admin.
- Continue to improve our buildings, ensuring they meet the needs of the people we support and are attractive to new referrals. Utilising the information from the condition surveys carried out on our properties in 2022/23, an Active Asset Management Strategy is being developed to inform property investment decision making.
- Relocate services that are currently in areas where we are unable to recruit. The difficult decision to close the exceptional service for younger adults with a learning disability at Flaxpits House, one of our Outstanding rated services, was made in 2023 by the Executive Team. This service is in Winterbourne, and has experienced similar chronic recruitment difficulties to the nursing service at 121 Watleys End Road. We plan to offer a service to the majority of people affected, including at the new services at Graeme Close and Lambrook Road and we will aim to redeploy as many staff as possible.
- Develop move on options for people living within our specialist services who want to live more independently.
- Build on our work with Expressions, Warmley Wheelers and our Day Opportunities to boost our profile and better integrate into local communities.

Further notable actions for the coming year are these:

- Business development strategy – We have appointed a new Director of Business Development who has both commercial and sector background with the explicit aim of achieving real growth and expansion in neighbouring commissioning authorities.
- Developing an Active Asset Management Strategy will focus decision making on where, when and how we invest in property. Develop partnership arrangements with housing associations and private landlords to source new properties where the Trust could provide support.
- During the year the Communications and Marketing Team has spearheaded a renewed focus on establishing the Milestones brand for key external audiences. We are utilising a new social media scheduling platform to maximise our digital presence and promote greater awareness amongst the public of the work that we do, and how they may become involved.

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- The three-year IT investment programme approved by the Board will continue to be implemented. A new, key theme for 2023/24 and beyond is Business Process Management (BPM). Business Process Automation (BPA) is crucial for the Trust to operate efficiently, even more so with Electronic Care Planning. We can simultaneously reduce manual intervention and human error, whilst simplifying our business processes and remove technical debt.
 - o Service Network Modernisation: 29 Services have been identified for upgrade.
 - o End User Computing: 40 more staff will be upgraded with laptops and Microsoft 365
 - o Opportunities surrounding machine learning and AI will also be evaluated for enhanced reporting, trending, and further automation.
 - o Business Continuity and Cyber Security; Microsoft software obsolescence planning.
 - o Trust Office Printing: will be modernised reducing cost and our carbon footprint, whilst also improving security and reliability.
- The Information Governance Annual Report is currently being drafted and contains a draft workplan for the coming year. We'll be continuing to embed data protection by design and default, 'baking in' good data protection and privacy practice through involvement at the earliest stages of projects where personal data is used e.g., electronic care planning, and the use of innovative tech that enables greater independence of people we support. This will positively impact all our priority areas.

The Trust is committing itself to expand its capacity in areas identified as important by the people we support, their families, commissioners, and other partners. Like other charities, we work across boundaries, in our case health, social care and housing. We are close to the user and have a passion for good quality services.

Employment policies

Milestones Trust promotes equal opportunities and celebrates diversity within all areas of its work, and it works in partnership with SARI, a specialist charity, which provides the organisation with expert support and advice. The Trust has policies in place to ensure that employees are consulted and provided with appropriate information in order that they are fully involved in the organisation's performance and are aware of its future direction. Regular Service Managers meetings are held in which significant new (or revised) policies are launched.

Appropriate external and internal training is provided when implementing policies and is ongoing to ensure that new managers have the appropriate knowledge and skills to manage in accordance with the Trust's culture. Trust-wide virtual manager meetings are also held, as and when required, for communication and information sharing of specific strategic initiatives or projects. We also produce a quarterly magazine, 'One Trust', for all our staff and the people we support, as well as Monthly Briefing Reports.

The Trust operates an open culture and the Chief Executive and the Exec team, as well as Trustees, regularly visit homes and services and encourage staff to open channels of communication. The Trust has a recognition agreement with Unison and consultation takes place regarding matters relating to pay and conditions of employment.

The Trust's pay strategy is set by the Board, including the remuneration of the CEO and the approach to pay awards is considered, as part of budget setting, taking into account regional, and sector benchmarking and financial parameters.

The Trust is externally accredited as a Disability Confident organisation. Our policies and procedures fully support disabled colleagues to gain and retain employment with us. Managers are assisted to support disabled employees in the workplace, through our Equality, Diversity and Inclusion Policy, and particularly around reasonable adjustments by our Occupational Health Service and HR Advice.

It is the policy of the Trust that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

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Streamlined energy and carbon reporting (SECR)

The table below represents the Trusts energy consumption and emissions for the year ended 31 March 2023. This is the Trusts second SECR disclosure.

| Energy consumption used to calculate emissions | 2023 kWh | 2022 kWh |
|---|---------------------|---------------------|
| Natural gas | 3,539,194 | 4,407,098 |
| Electricity | 1,248,770 | 1,417,310 |
| Vehicles | <u>324,473</u> | <u>308,254</u> |
| Total energy consumption (kWh) | <u>5,112,438</u> | <u>6,132,662</u> |
| Scope 1 emissions in metric tonnes CO2e | tCO2e | tCO2e |
| Natural gas | 646.04 | 810.33 |
| Vehicles | 75.36 | 71.92 |
| Scope 2 emissions in metric tonnes CO2e | | |
| Electricity | 241.49 | 330.43 |
| Total gross emissions in metric tonnes CO2e | <u>962.89</u> | <u>1,212.69</u> |
| Intensity ratio tCO2e per average FTE employee | <u>1.38</u> | <u>1.59</u> |

We have used the key performance indicator of energy consumption per average FTE as the Trust's key activities are driven by the level of support required for individuals with learning disabilities and mental health needs, which directly drives the number of employees and the consumption of energy by those employees.

SECR methodology statement

Emissions have been grouped according to the GHG Protocol Corporate standard.

We have used the following data sources for the report:

- Natural gas & electricity - energy supplier billing data
- Vehicle fuel - litres purchased (fuel cards) using average prices & mileage reimbursed to employees using average consumption rates and average prices
- CO2 emissions are calculated from The Carbon Trust conversion factors (based on BEIS published data 2022).

Energy efficient action taken in the reporting period

- Externally commissioned Carbon Footprint Report for the Trust to enable a carbon reduction plan to be produced.
- Replacement of light fittings and bulbs with LED alternatives is being implemented.
- Improved staff engagement regarding energy consumption, including staff surveys to collate information for incorporation into the calculation of Carbon Footprint of the Trust.

Section 172 Companies Act 2006

The Board of Trustees must act in the Trust's best interests to ensure the delivery of its charitable objectives. The Trustees role is to oversee the overall management of the Trust whilst the Exec manage the day-to-day operations. Further details of the structure of the Board are given earlier in this report in the 'Structure, Governance and Management' section.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees, when making decisions, act in good faith and will promote and support actions that are in the best interest of the Trust and its stakeholders, with a focus on, but not limited to, the following key decision-making areas:

- a) The interests and wellbeing of the Trusts employees; please see the 'employment policies' section for further details.
- b) The need to foster the Trust's business relationships with customers, suppliers, and others; throughout this report there are many examples of how we involve and work with the people we support, volunteers, donors, commissioners, and key suppliers.
- c) The impact of the Trust's operations on the wider community and environment; the 'structure, governance and management' section refers to how we play an active role with our Health and Social Care Communities and our memberships of disability groups such as VODG.
- d) The desirability of the Trust maintaining a reputation for high standards of business conduct and quality; as noted earlier in this report the Trust is proud that 100% of our services are rated good or outstanding by CQC.

In adhering to the requirements of S172, the Trustees pay close attention to the above stakeholders and any other party whose interests are relevant to the decision-making process.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Milestones Trust for the purposes of Company Law) are responsible for preparing the Strategic Report, Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing those financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2015;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charitable parent company will continue in business.

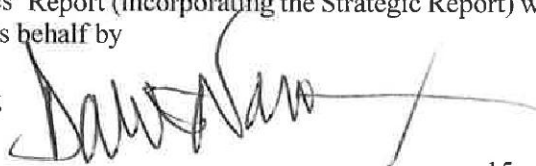
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' Report (incorporating the Strategic Report) was approved by the Board on 25 September 2023 and signed on its behalf by

D Nordberg
Chair



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

Opinion

We have audited the financial statements of Milestones Trust for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

Use of the audit report

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

Signed:



Jonathan Marchant

(Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

Date: 4/10/23

MILESTONES TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

| | Notes | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total 2023 £ | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total 2022 £ |
|--|-------|------------------------------|----------------------------|--------------------|------------------------------|----------------------------|-------------------|
| INCOME FROM | | | | | | | |
| Donations and legacies | 3 | 70,577 | 77,774 | 148,351 | 38,512 | 1,158,800 | 1,197,312 |
| Other trading activities | | 48,781 | - | 48,781 | 24,959 | - | 24,959 |
| Income from investments | 4 | 81,178 | - | 81,178 | 43,165 | - | 43,165 |
| Incoming resources from charitable activities | 5 | 29,458,708 | - | 29,458,708 | 28,954,691 | - | 28,954,691 |
| Surplus on disposal of fixed assets | | 389 | - | 389 | 77,132 | - | 77,132 |
| TOTAL INCOMING RESOURCES | | 29,659,633 | 77,774 | 29,737,407 | 29,138,459 | 1,158,800 | 30,297,259 |
| EXPENDITURE ON | | | | | | | |
| Raising funds | 9 | 33,608 | - | 33,608 | 29,230 | - | 29,230 |
| Charitable activities | 6 | 31,478,070 | - | 31,478,070 | 30,755,273 | - | 30,755,273 |
| TOTAL RESOURCES EXPENDED | | 31,511,678 | - | 31,511,678 | 30,784,503 | - | 30,784,503 |
| NET INCOME/(EXPENDITURE) BEFORE OTHER RECOGNISED GAINS/(LOSSES) AND TRANSFERS | | (1,852,045) | 77,774 | (1,774,271) | (1,646,044) | 1,158,800 | (487,244) |
| Net gains/(losses) on investment assets | 15 | (137,471) | - | (137,471) | 72,116 | - | 72,116 |
| NET INCOME/(EXPENDITURE) | | (1,989,516) | 77,774 | (1,911,742) | (1,573,928) | 1,158,800 | (415,128) |
| Gross transfers between funds | | 153,492 | (153,492) | - | 797,944 | (797,944) | - |
| NET MOVEMENT IN FUNDS | | (1,836,024) | (75,718) | (1,911,742) | (775,984) | (360,856) | (415,128) |
| Total funds brought forward | | 18,723,188 | 2,470,126 | 21,193,314 | 19,499,172 | 2,109,270 | 21,608,442 |
| Total funds carried forward | | 16,887,164 | 2,394,408 | 19,281,572 | 18,723,188 | 2,470,126 | 21,193,314 |

*All activities relate to continuing operations.
The notes on pages 23 to 39 form part of these financial statements.*

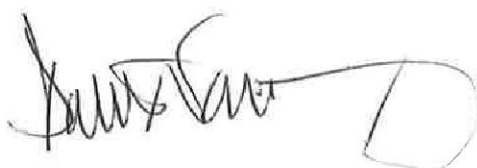
MILESTONES TRUST

COMPANY NUMBER 02011021

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

| | Notes | Unrestricted Income Fund 2023 £ | Restricted Funds 2023 £ | Total 2023 £ | Unrestricted Income Fund 2022 £ | Restricted Funds 2022 £ | Total 2022 £ |
|---|-------|---|----------------------------------|--------------------|---|----------------------------------|--------------------|
| FIXED ASSETS | | | | | | | |
| Tangible assets | 13 | 11,310,975 | 2,100,681 | 13,411,656 | 11,584,835 | 2,160,823 | 13,745,658 |
| Intangible assets | 14 | 217,290 | - | 217,290 | 306,949 | - | 306,949 |
| Investments | 15 | 2,566,855 | - | 2,566,855 | 1,991,923 | - | 1,991,923 |
| Total fixed assets | | <u>14,095,120</u> | <u>2,100,681</u> | <u>16,195,801</u> | <u>13,883,707</u> | <u>2,160,823</u> | <u>16,044,530</u> |
| CURRENT ASSETS | | | | | | | |
| Debtors | 16 | 1,644,939 | - | 1,644,939 | 1,862,165 | - | 1,862,165 |
| Cash at bank and in hand | | 3,185,794 | 293,727 | 3,479,521 | 5,451,438 | 309,303 | 5,760,741 |
| Total current assets | | <u>4,830,733</u> | <u>293,727</u> | <u>5,124,460</u> | <u>7,313,603</u> | <u>309,303</u> | <u>7,622,906</u> |
| CREDITORS: Amounts falling due within one year | 17 | (2,028,284) | - | (2,028,284) | (2,448,729) | - | (2,448,729) |
| Net current assets | | <u>2,802,449</u> | <u>293,727</u> | <u>3,096,176</u> | <u>4,864,874</u> | <u>309,303</u> | <u>5,174,777</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>16,897,569</u> | <u>2,394,408</u> | <u>19,291,977</u> | <u>18,748,581</u> | <u>2,470,126</u> | <u>21,218,707</u> |
| CREDITORS: Amounts falling due in over one year | 18 | - | - | - | (9,072) | - | (9,072) |
| PROVISIONS for liabilities and charges | 20 | (10,405) | - | (10,405) | (16,321) | - | (16,321) |
| NET ASSETS | | <u>16,887,164</u> | <u>2,394,408</u> | <u>19,281,572</u> | <u>18,723,188</u> | <u>2,470,126</u> | <u>21,193,314</u> |
| FUNDS OF THE CHARITY | | | | | | | |
| Funds invested in fixed assets | | 11,519,193 | - | 11,519,193 | 11,871,826 | - | 11,871,826 |
| Investment revaluation reserve | | - | - | - | 83,459 | - | 83,459 |
| Funds available for use | | 5,367,971 | - | 5,367,971 | 6,767,903 | - | 6,767,903 |
| Unrestricted income funds | 23 | 16,887,164 | - | 16,887,164 | 18,723,188 | - | 18,723,188 |
| Restricted funds | 24 | - | 2,394,408 | 2,394,408 | - | 2,470,126 | 2,470,126 |
| TOTAL CHARITY FUNDS | | <u>16,887,164</u> | <u>2,394,408</u> | <u>19,281,572</u> | <u>18,723,188</u> | <u>2,470,126</u> | <u>21,193,314</u> |

Approved by the Board on 25 September 2023 and signed on its behalf by

D Nordberg
Chair


The notes on pages 23 to 39 form part of these financial statements.

MILESTONES TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

| | 2023 | 2022 |
|---|-------------------------|-------------------------|
| | £ | £ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net outgoing resources | (1,911,742) | (415,128) |
| Adjustments for: | | |
| Depreciation and amortisation | 504,038 | 523,129 |
| (Surplus) on sale of property, plant and equipment | (388) | (77,132) |
| Investments losses/(gains) | 137,471 | (72,116) |
| Investment income | (81,178) | (43,165) |
| Interest expense | 308 | 363 |
| Decrease/(increase) in trade and other receivables | 217,226 | (89,732) |
| (Decrease)/increase in trade and other payables | (424,547) | 504,111 |
| | <u>(1,558,812)</u> | <u>330,330</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (80,378) | (155,454) |
| Purchase of intangibles | - | (126,591) |
| Proceeds on disposal of property, plant and equipment | 389 | 228,455 |
| Additions to investment funds | (712,403) | (500,000) |
| Interest received | 81,178 | 43,165 |
| | <u>(711,214)</u> | <u>(510,425)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (308) | (363) |
| Finance lease repayments made | (10,886) | (10,886) |
| | <u>(11,194)</u> | <u>(11,249)</u> |
| NET (DECREASE) IN CASH AND CASH EQUIVALENTS | (2,281,220) | (191,344) |
| Cash and cash equivalents at the beginning of the year | 5,760,741 | 5,952,085 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u>3,479,521</u> | <u>5,760,741</u> |

ANALYSIS OF CHANGES IN NET DEBT

Cash is the only component of net debt, and there are therefore no changes other than as detailed above.

The notes on pages 23 to 39 form part of these financial statements.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

COMPANY INFORMATION

The company is a private company, limited by guarantee and is incorporated in England & Wales. Its registered office address is Unit 10, Eclipse Office Park, High Street, Staple Hill, Bristol BS16 5EL. Milestones Trust meets the definition of a public benefit entity under FRS102.

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (“FRS 102”), and with the Companies Act 2006. They follow the recommendations in the Charities Statement of Recommended Practice (FRS 102). The Trustees have, in accordance with s.396 of the Companies Act 2006, departed from the standard format of the income and expenditure account in order to give a true and fair view and comply with the Statement of Recommended Practice.

The financial statements have been prepared on the historical cost basis except as specified in the accounting policies below. The financial statements are presented in Sterling (£) and are rounded to the nearest £.

Going concern

After reviewing the forecasts and projections, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future.

The Trust therefore continues to adopt the going concern basis in preparing its financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Costs of a capital nature are capitalised when they relate to new purchases of significant value. Direct replacements of assets such as white goods are treated as revenue expenditure.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight line method at the following rates:

| | |
|--------------------------------------|-----------|
| Freehold properties (excluding land) | 2% |
| Furniture, fittings and equipment | 10% - 20% |
| Motor vehicles | 20% |

Impairment reviews are conducted where there is some indication that impairment has occurred. Impairment losses are recognised to the extent that the carrying amount of an asset is considered to exceed its recoverable amount.

Due to the difficulty in identifying the large number of individual items of furniture, fittings and equipment, items of this nature are treated as disposed of in the financial statements once fully depreciated.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated so as to allocate the cost of intangibles less their estimated residual values over their estimated useful lives, using the straight line method at the following rates:

| | |
|----------------------------|-----|
| Software development costs | 20% |
|----------------------------|-----|

Investments

Listed investments are valued at fair value, being their mid-market value at the balance sheet date.

Debtors and creditors

Debtors and short term creditors are measured at the transaction price.

Cash balances and financial instruments

Cash balances and basic financial instruments are initially accounted for at their transaction price except for financing transactions, including bank loans, which are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the accounting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a discount rate. The unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months. The provision is measured at the salary cost payable for the period of absence.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Restricted funds

These are earmarked by the donor or grantor, or the terms of an appeal, for specific purposes within the overall aims of the charity. The donation or grant and income deriving therefrom must be used in accordance with the specific purposes. Restricted funds may be of a capital or a revenue nature. In the latter case the restriction is discharged once the donation or grant is expended as required.

Income

Income from donations and legacies includes grant income and is recognised on a receivable basis in the appropriate fund.

Incoming resources from charitable activities are recognised on a receivable basis and consist principally of charges for the provision of residential and nursing care and related services. Incoming resources are allocated to charitable activities based on actual amounts received. Contract income received in advance of the period to which it relates is deferred.

Historically, capital grants were received in the form of land and buildings to be used for the provision of accommodation for residents with learning disabilities or mental health needs. These properties cannot be sold without repayment of the related capital value. These grants are therefore accounted for as Restricted Capital Funds. The relevant assets are depreciated in accordance with the depreciation policy and the value of the Restricted Capital Fund is reduced accordingly.

Expenditure

All resources expended are included in the Statement of Financial Activities during the period in which they are incurred, on an accruals basis and inclusive of any VAT which cannot be recovered since the Trust is not registered for VAT.

Support costs and governance costs are allocated to charitable activities except for a small proportion of support costs that have been allocated to costs of generating voluntary income, together with specific costs incurred.

Pension costs

Contributions payable to defined contribution pension schemes are charged to the income and expenditure account in the period to which they relate.

Contributions payable to the National Health Service pension scheme are charged to the income and expenditure account in the period that they arise. The scheme is a multi-employer scheme in which it is not possible for the Trust to identify its share of the underlying assets and liabilities, and the Trust is therefore exempted from some of the disclosure requirements of FRS 102.

Charitable commitments

Charitable commitments relate to the provision of continuing care for existing service users. All future charitable commitments will be met from future funding, via contract income from Social Services and Health Service commissioners, and residents' contributions. Future expenditure in respect of charitable commitments is therefore not recognised in the financial statements.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Termination benefits

Liabilities for termination benefits are recognised when the Trust is committed to terminating an employee's employment before normal retirement date. The liability is calculated as the best estimate of the cost at the reporting date.

3. INCOME FROM DONATIONS AND LEGACIES

| | 2023 £ | 2022 £ |
|--|----------------|------------------|
| Restricted capital grant | - | 249,747 |
| Restricted income donations | | |
| Restricted Covid related grants | - | 806,667 |
| Coronavirus Job Retention Scheme | - | 4,671 |
| Donations from Quartet | 29,544 | 21,627 |
| Health Education England grant | - | 38,550 |
| Other restricted grants and donations | 48,230 | 37,538 |
| | <u>77,774</u> | <u>909,053</u> |
| Unrestricted grants and donations | <u>70,577</u> | <u>38,512</u> |
| | <u>148,351</u> | <u>1,197,312</u> |

All restricted donations have been received for a specific purpose. £249,747 of the restricted capital grant received during the prior year and £43,980 of other restricted grants had not been spent at 31 March 2023. These amounts are therefore carried forward as part of restricted funds (note 24). All other donations and grants were spent during the year and the restrictions have therefore been discharged. Equivalent transfers have therefore been made to the unrestricted income fund.

4. INCOME FROM INVESTMENTS

| | 2023 £ | 2022 £ |
|--|---------------|---------------|
| Interest receivable | 20,949 | 3,282 |
| Income from stock exchange investments | 60,229 | 39,883 |
| | <u>81,178</u> | <u>43,165</u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | 2023 | 2022 |
|--|-------------------|-------------------|
| | £ | £ |
| Health authority grant | 426,881 | 462,618 |
| Contract income | 28,058,539 | 27,122,813 |
| Service user contributions | 912,122 | 1,302,032 |
| PCT funding re increased pension contributions (note 27) | 44,907 | 49,037 |
| Other operational income | 16,259 | 18,191 |
| | <u>29,458,708</u> | <u>28,954,691</u> |

6. EXPENDITURE ON CHARITABLE ACTIVITIES

| | 2023 | 2022 |
|---------------------------------------|--------------------------|--------------------------|
| | £ | £ |
| Staff costs | | |
| Employee costs | 16,526,797 | 17,314,749 |
| Agency staff costs | 5,628,474 | 5,438,170 |
| | <u>22,155,271</u> | <u>22,752,919</u> |
| Non-Pay costs | | |
| Food and household | 547,224 | 569,241 |
| Residents' amenities | 135,116 | 141,886 |
| Travel costs | 238,737 | 226,509 |
| Telephone | 101,665 | 99,575 |
| Stationery and office expenses | 50,357 | 68,990 |
| Hygiene and medical | 209,206 | 294,749 |
| Bad debts | 4,094 | (2,049) |
| | <u>1,286,399</u> | <u>1,398,901</u> |
| Property costs | | |
| Utilities | 874,700 | 482,090 |
| Registration fees | 43,758 | 45,345 |
| Loan interest | 308 | 363 |
| Rent | 360,536 | 367,337 |
| Fixtures, repairs and maintenance | 1,950,576 | 1,627,942 |
| Property management charges | 66,563 | 42,000 |
| Depreciation | 387,036 | 363,963 |
| Council tax | 95,945 | 88,315 |
| | <u>3,779,422</u> | <u>3,017,355</u> |
| Support costs reallocated (note 7) | 4,217,882 | 3,550,541 |
| Governance costs reallocated (note 8) | 39,096 | 35,557 |
| TOTAL EXPENDITURE | <u><u>31,478,070</u></u> | <u><u>30,755,273</u></u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

7. SUPPORT COSTS

| | 2023 £ | 2022 £ |
|---|-------------------------|-------------------------|
| Head office property costs | 242,770 | 214,431 |
| Head office staff costs | 2,307,580 | 1,978,482 |
| Head office agency costs | 6,266 | 14,126 |
| Staff training and development | 132,999 | 119,662 |
| Staff recruitment | 117,664 | 126,970 |
| Staff and payroll support costs | 287,973 | 318,655 |
| Information technology | 572,532 | 283,619 |
| Insurance | 151,157 | 147,969 |
| Office consumables | 101,071 | 85,763 |
| Legal and professional fees | 127,984 | 50,806 |
| Bank charges | 12,349 | 12,250 |
| Marketing | 39,897 | 51,156 |
| Head office depreciation | 117,002 | 124,000 |
| Other head office expenses | 21,833 | 40,494 |
| | <u>4,239,077</u> | <u>3,568,383</u> |
| Less 0.5% recharge to expenditure on raising funds (note 9) | (21,195) | (17,842) |
| | <u><u>4,217,882</u></u> | <u><u>3,550,541</u></u> |

8. GOVERNANCE COSTS

| | 2023 £ | 2022 £ |
|--|---------------|---------------|
| Reimbursement of Trustees' expenses | 1,593 | 905 |
| Trustees' meeting, training and recruitment costs | 5,023 | 2,957 |
| External auditors' fees | 22,024 | 21,840 |
| Recharge 5% salary costs for Chief Executive and Director of Finance | 10,456 | 9,855 |
| | <u>39,096</u> | <u>35,557</u> |

No remuneration has been paid to any trustee or any person connected with a trustee.

Expenses were paid to four (2022 three) trustees in respect of mileage and other expenses incurred.

Trustee indemnity insurance is in place, but the individual premium cost cannot be separated out from other combined policy premiums.

9. EXPENDITURE ON RAISING FUNDS

| | 2023 £ | 2022 £ |
|---|---------------|---------------|
| Fundraising staff costs | 12,413 | 11,388 |
| Recharge 0.5% of support costs (note 7) | 21,195 | 17,842 |
| | <u>33,608</u> | <u>29,230</u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

10. STAFF COSTS

| | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| Wages and salaries | 16,967,798 | 17,661,286 |
| Social security costs | 1,406,884 | 1,227,712 |
| Other pension costs | 397,015 | 414,487 |
| | <u>18,771,697</u> | <u>19,303,485</u> |
| Apprenticeship levy | 85,548 | 83,555 |
| | <u>18,857,245</u> | <u>19,387,040</u> |
| Remuneration costs of key management personnel | 448,783 | 399,876 |
| Redundancy and termination payments | 180,916 | 108,125 |

Key management personnel are considered to consist of the Chief Executive, Director of Finance, Director of Operations, Director of Human Resources and the Director of Estates, Facilities and Information Technology.

Agency staff are engaged when necessary to cover staff shortages or absences. Agency expenditure during the year ended 31 March 2023 amounted to £5,634,740 (2022 £5,452,296).

11. EMPLOYEES

The average number of employees during the year was as follows:

| | Average number | | Whole time equivalents | |
|-------------------------------|----------------|------------|------------------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Management and administration | 59 | 59 | 59 | 59 |
| Care staff | 817 | 901 | 637 | 706 |
| | <u>876</u> | <u>960</u> | <u>696</u> | <u>765</u> |

Employees whose emoluments fell within the following ranges were as follows:

| | 2023 | 2022 |
|----------------------|------|------|
| £60,000 to £70,000 | 2 | 2 |
| £70,000 to £80,000 | 1 | 1 |
| £80,000 to £90,000 | 0 | 0 |
| £90,000 to £100,000 | 0 | 1 |
| £100,000 to £110,000 | 1 | 0 |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

12. NET INCOME FOR THE YEAR

| | 2023 | 2022 |
|---|-------------|-------------|
| This is stated after crediting: | £ | £ |
| Profit on disposal of tangible fixed assets | 389 | 77,132 |
| and after charging: | | |
| Operating leases - property rental | 417,587 | 427,224 |
| - motor vehicles | 36,595 | 40,755 |
| Auditor's remuneration – audit fees | 18,353 | 18,200 |

13. TANGIBLE FIXED ASSETS

| | Freehold properties £ | Fixtures & equipment £ | Motor vehicles £ | Total £ |
|-----------------------|--------------------------------------|---|---------------------------------|--------------------|
| COST | | | | |
| At 1 April 2022 | 20,942,430 | 343,734 | 357,553 | 21,643,717 |
| Additions | 56,883 | - | 23,495 | 80,378 |
| Disposals | - | - | (6,995) | (6,995) |
| At 31 March 2023 | <u>20,999,313</u> | <u>343,734</u> | <u>374,053</u> | <u>21,717,100</u> |
| DEPRECIATION | | | | |
| At 1 April 2022 | 7,260,225 | 290,481 | 347,353 | 7,898,059 |
| Charge for the year | 375,502 | 30,779 | 8,099 | 414,380 |
| Disposals | - | - | (6,995) | (6,995) |
| At 31 March 2023 | <u>7,635,727</u> | <u>321,260</u> | <u>348,457</u> | <u>8,305,444</u> |
| NET BOOK VALUE | | | | |
| At 31 March 2022 | <u>13,682,205</u> | <u>53,253</u> | <u>10,200</u> | <u>13,745,658</u> |
| At 31 March 2023 | <u>13,363,586</u> | <u>22,474</u> | <u>25,596</u> | <u>13,411,656</u> |

The net book value of freehold properties includes £2,165,237 (2022 £2,165,237) in respect of non-depreciable land.

The net book value of fixtures and equipment includes £9,060 (2022 £19,946) in respect of assets held under finance leases.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

14. INTANGIBLE FIXED ASSETS

| | Software costs £ |
|---------------------|------------------------|
| COST | |
| At 1 April 2022 | 448,292 |
| Additions | - |
| Disposals | - |
| | <u>448,292</u> |
| At 31 March 2023 | <u>448,292</u> |
| DEPRECIATION | |
| At 1 April 2022 | 141,343 |
| Charge for the year | 89,659 |
| Disposals | - |
| | <u>231,002</u> |
| At 31 March 2023 | <u>231,002</u> |
| NET BOOK VALUE | |
| At 31 March 2022 | <u>306,949</u> |
| At 31 March 2023 | <u>217,290</u> |

Additions to intangible fixed assets include nil (2022 £72,686) in respect of capitalised salary costs. The charge for amortisation of intangible fixed assets is included in the Statement of Financial Activities (page 20) within Expenditure on Charitable Activities (note 6). Software costs are amortised over a period of five years, a period that is in line with industry standards.

15. INVESTMENTS

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Listed Investments | | |
| Valuation at 1 April 2022 | 1,991,923 | 1,419,806 |
| Additions to investment funds | 712,403 | 500,000 |
| Realised (losses)/profits on disposal | (8,087) | (5,690) |
| Unrealised profits/(losses) on revaluation | (129,384) | 77,807 |
| | <u>2,566,855</u> | <u>1,991,923</u> |
| Valuation at 31 March 2023 | <u>2,566,855</u> | <u>1,991,923</u> |

Listed investments represent amounts invested in the Barclays Managed Charities Fund. This is managed by Barclays' professional Fund Managers. The valuation above is based on the asset values reported by Barclays, which we consider to be a fair estimation of the realisable value of the fund assets. The investment is held to provide an investment return to the charity.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

16. DEBTORS

| | 2023 | 2022 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Operational debtors | 1,415,129 | 1,595,000 |
| Other debtors | 3,386 | 3,247 |
| Prepayments and accrued income | 226,424 | 263,918 |
| | <u>1,644,939</u> | <u>1,862,165</u> |

17. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Finance lease creditor | 9,072 | 10,886 |
| Trade creditors | 999,709 | 1,122,069 |
| Tax and social security | 249,318 | 260,803 |
| Other creditors | 137,959 | 158,563 |
| Accruals and deferred income | 632,226 | 896,408 |
| | <u>2,028,284</u> | <u>2,448,729</u> |

18. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2023 | 2022 |
|------------------------|-------------|--------------|
| | £ | £ |
| Finance lease creditor | - | 9,072 |
| | <u>-</u> | <u>9,072</u> |

19. MATURITY OF LONG TERM CREDITORS

Finance leases

| | 2023 | 2022 |
|--|--------------|---------------|
| | £ | £ |
| Amounts falling due: | | |
| Within one year (note 17) | 9,072 | 10,886 |
| Within 1 to 2 years | - | 9,072 |
| | <u>9,072</u> | <u>19,958</u> |
| Less: amounts falling due within one year (note 17) | (9,072) | (10,886) |
| | <u>-</u> | <u>9,072</u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

20. PROVISIONS FOR LIABILITIES AND CHARGES

| | Pension deficit £ |
|------------------------------|----------------------------------|
| At 1 April 2022 | 16,321 |
| Paid during the year | (5,946) |
| Re-measurement of provision | (278) |
| Unwinding of discount factor | 308 |
| At 31 March 2023 | <u>10,405</u> |

The pension deficit provision relates to the obligation to pay additional contributions to the Trustees of the TPT Retirement Solutions Growth Plan pension scheme in order to fund the deficit in value of that scheme (note 27). 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 5.52% (2.35% at 31 March 2022). The unwinding of the discount rate is recognised as a finance cost.

21. FINANCIAL INSTRUMENTS

| | 2023 £ | 2022 £ |
|---|--------------------|--------------------|
| Financial assets | | |
| Financial assets that are debt instruments measured at amortised cost | <u>18,753,406</u> | <u>21,675,513</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>(2,038,689)</u> | <u>(2,474,122)</u> |

Financial assets measured at amortised cost comprise tangible and intangible fixed assets, trade debtors, other debtors and bank balances.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and provisions.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Revaluation reserve | Unrestricted funds invested in fixed assets | Balance of unrestricted funds | Restricted capital fund | Restricted income fund | Total funds |
|---|---------------------|---|-------------------------------|-------------------------|------------------------|-------------|
| | £ | £ | £ | £ | £ | £ |
| FIXED ASSETS | | | | | | |
| Tangible assets | - | 11,301,903 | 9,072 | 2,100,681 | - | 13,411,656 |
| Intangible assets | - | 217,290 | - | - | - | 217,290 |
| Investments | - | - | 2,566,855 | - | - | 2,566,855 |
| Total fixed assets | - | 11,519,193 | 2,575,927 | 2,100,681 | - | 16,195,801 |
| CURRENT ASSETS | | | | | | |
| Debtors | - | - | 1,644,939 | - | - | 1,644,939 |
| Cash at bank and in hand | - | - | 3,185,794 | 249,747 | 43,980 | 3,479,521 |
| Total current assets | - | - | 4,830,733 | 249,747 | 43,980 | 5,124,460 |
| CREDITORS: Amounts falling due within one year | - | - | (2,028,284) | - | - | (2,028,284) |
| Net current assets | - | - | 2,802,449 | 249,747 | 43,980 | 3,096,176 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | - | 11,519,193 | 5,378,376 | 2,350,428 | 43,980 | 19,291,977 |
| PROVISIONS for liabilities and charges | - | - | (10,405) | - | - | (10,405) |
| NET ASSETS AT 31 MARCH 2023 | - | 11,519,193 | 5,367,971 | 2,350,428 | 43,980 | 19,281,572 |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

23. MOVEMENT OF FUNDS

| | Revaluation reserve | Unrestricted funds invested in fixed assets | Balance of unrestricted funds | Restricted capital fund | Restricted income fund | Total funds |
|---|------------------------|---|-------------------------------------|----------------------------|---------------------------|----------------|
| | £ | £ | £ | £ | £ | £ |
| AT 1 APRIL 2022 | 83,459 | 11,871,826 | 6,767,903 | 2,410,570 | 59,556 | 21,193,314 |
| Surplus(deficit) for the year ended 31 March 2023 | (83,459) | (352,633) | (1,553,424) | - | 77,774 | (1,911,742) |
| Transfers between funds | - | - | 153,492 | (60,142) | (93,350) | - |
| AT 31 MARCH 2023 | - | 11,519,193 | 5,367,971 | 2,350,428 | 43,980 | 19,281,572 |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

24. UNRESTRICTED INCOME FUNDS

The unrestricted income funds consist of:

Funds invested in tangible and intangible fixed assets – being the value of tangible and intangible fixed assets (notes 13 and 14) less the value of loans secured thereon (note 19), less restricted funds invested in fixed assets (note 25).

Investment revaluation reserve – being cumulative unrealised gains less unrealised losses arising on the investment portfolio (note 15).

Funds available for use – being the balance of unrestricted funds.

25. RESTRICTED FUNDS

Restricted funds represent capital or income donations or grants received by the Trust for specific purposes. In the case of restricted income donations or grants the restriction is discharged once the donations or grants are expended as required.

Restricted capital fund

It was a condition of capital grants received in the past that properties purchased continue to be used for specified charitable purposes and grants received were secured by legal charges in favour of the Secretary of State for Health (SSoH). If the properties cease to be used for these purposes or are sold without authorised reinvestment, then a proportion equivalent to the level of the legal charge (49.8% to 100%) of the market value of the property is repayable to the SSoH. The restriction in respect of these grants was therefore not discharged when the properties were purchased. These grants continue to be reflected in the balance on restricted funds, but are stated net of amounts released annually to the unrestricted income fund to offset related depreciation charges. There were ten such properties at 31 March 2023.

Restricted income fund

During the year ended 31 March 2023, there were restricted income donations and grants amounting to £77,774 (2022 £909,053). See note 3 for further details of donations and grants received. The restrictions have been discharged in respect of restricted donations and grants amounting to £93,350, including some donations and grants received in prior years, and an equivalent transfer has therefore been made to the unrestricted income fund.

26. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2023 (2022 nil).

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

27. OPERATING LEASE COMMITMENTS

At 31 March 2023 there were the following total commitments under non-cancellable operating leases:

| | Land and Buildings 2023 £ | Motor Vehicles 2023 £ | Land and Buildings 2022 £ | Motor Vehicles 2022 £ |
|----------------------------------|------------------------------------|--------------------------------|------------------------------------|--------------------------------|
| Expiring within one year | 333,052 | - | 312,545 | - |
| Expiring in two to five years | - | - | 11,525 | - |
| Expiring in more than five years | - | - | - | - |
| | <u>333,052</u> | <u>-</u> | <u>324,070</u> | <u>-</u> |

28. PENSION COSTS

The Trust participates in one defined contribution scheme and one defined benefit schemes. The assets of both pension schemes are held separately from those of the Trust in independently administered funds.

TPT Retirement Solutions – The Growth Plan Series 4

Contributions payable by the Trust to this defined contribution scheme, in respect of 848 employees (2022 919), amounted to £305,893 (2022 £320,089). Contributions totalling £65,139 (2022 £71,133) were payable to this fund at 31 March 2023 and are included in creditors (note 17).

NHS Pension Scheme

Some employees of the Trust are eligible for membership of the NHS Pension Scheme. This is a multi-employer defined benefits scheme for the National Health Service and other approved organisations.

Contributions payable by the Trust to the NHS Pension Fund during the year, in respect of 29 employees (2022 29), amounted to £84,723 (2022 £94,528). Employers' and employees' contributions totalling nil (2022 £11,130) were payable to this fund at the balance sheet date and are included within other creditors (note 17).

Due to the nature of the scheme, the Trust is unable to identify its share of the underlying assets and liabilities and, in accordance with FRS 102, the Trust is therefore exempted from providing details of these. The cost of pensions are met by a level percentage contribution called the Normal Contribution rate, calculated by the Government Actuary on the basis of quinquennial valuations using the prospective benefits valuation method.

The most recent valuation, published in February 2019, was for the four years from 2012 to 2016. This is a public document available from HM Stationery Office and for a more complete understanding it should be reviewed in its entirety.

The most recent actuarial valuation showed that the value placed on notional investments at 31 March 2016 amounted to £278.1 billion and that the present value of benefits accrued to members amounted to £297.5 billion, net of the present value of future contributions by current members. There was therefore a deficiency at 31 March 2016 amounting to £19.4 billion.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Most existing NHS pension scheme members were transferred to a new scheme (“the 2015 scheme”) on 2015. The previous actuarial valuation was required to take account of the impact of the introduction of this scheme. It concluded that the employer contribution rate for the period from 1 April 2015 to 31 March 2020 should be increased to 14.3% of pensionable pay.

The latest actuarial valuation concluded that the employer contribution rate should be increased to 20.6% of pensionable pay for the period from 1 April 2020 to 31 March 2023 to meet the cost of scheme benefits. The Department of Health and Social Care (DHSC) confirmed this increase, but the Government committed to providing additional funding to meet this additional cost to employers. It was subsequently confirmed that for 2020/21 to 2022/23 the amount to be collected from employers would continue at 14.3% (plus 0.08% administration charge) and that central payments would be made by NHS England and by DHSC to cover the remaining cost. In January 2022 it was announced that these arrangements would continue for a further year, until 31 March 2024.

TPT Retirement Solutions – The Growth Plan Series 3

Prior to 1 October 2012 employees were eligible for participation in Series 3 of The Pensions Trust’s Growth Plan (the Plan). On 1 October 2013 the Plan was closed, and all employees within the Plan were transferred to Series 4, a defined contribution scheme (see above). Although the Plan is now closed, details are included here as the Trust has a number of actual and potential future liabilities relating to it.

The Plan is a multi-employer pension plan that provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Trust to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme and therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the 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 scheme is classified as a “last-man standing arrangement”. Therefore the 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.

A full actuarial valuation of the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3 million, liabilities of £831.9 million and a deficit of £31.6 million. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

*Deficit contributions from 1 April 2022 to 31 January 2025
£3,312,000 per annum, payable monthly*

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9 million, liabilities of £926.4 million and a deficit of £131.5 million. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

*Deficit contributions from 1 April 2019 to 30 September 2025
£11,243,000 per annum, payable monthly and increasing by 3% each year on 1 April*

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities. The Trust recognises a liability for this obligation, being the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The net present value of the Trust's provision is £10,405 (2022 £16,321). See note 21 for details of the calculation of this provision.

29. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year or the prior year.

30. LIMITED LIABILITY STATUS

The Trust is a company limited by guarantee with no share capital.

MILESTONES TRUST

England & Wales - Charity number 294377

Accounts

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022**

MILESTONES TRUST

Unit 10, Eclipse Office Park, High Street, Staple Hill, Bristol BS16 5EL

Telephone: (0117) 970 9300 Fax: (0117) 970 9301

Company number 02011021 Charity number 294377

www.milestonetrust.org.uk

MILESTONES TRUST

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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MILESTONES TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Registered office and principal address:

Unit 10, Eclipse Office Park
High Street, Staple Hill
Bristol BS16 5EL

Trustees and directors:

D Nordberg (Chair)
D D Wilson
J E Buswell
K Pattison
S J Jones
D P Sarpong (appointed 13 December 2021)
K D Guy (retired 30 June 2021)
R H Nash (retired 13 December 2021)
J H Self (resigned 27 June 2022)

P M Collins
T S Jenkinson
S Cummings
N L McKen

Secretary:

H A Pearce

Key Management Personnel:

H Crowhurst
H A Pearce
J Parry
G Meehan
M Beavis

Chief Executive
Director of Finance
Director of Operations
Director of Human Resources
Director of Estates, Facilities and IT

Auditor:

Mazars LLP
90 Victoria Street
Bristol BS1 6DP

Solicitors:

Royds Withy King
5-6 Northumberland Buildings
Queens Square
Bath BA1 2JE

Lyons Davidson
43 Queens Square
Bristol BS1 4QP

Bankers:

National Westminster Bank
Floor 2, Trinity Quay 2
Avon Street
Bristol BS2 0PT

Investment advisors:

Barclays Wealth Management
1 Churchill Place
Canary Wharf
London E14 5HP

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Reference and administrative details

This Annual Report forms the Trustees' report for the purposes of Section 162 of the Charities Act 2011 and the Directors' report for the purposes of Chapter 5 of Part 15 of the Companies Act 2006. It also includes the Strategic Report required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006 and the Accounting and Reporting by Charities: Statement of Recommended Practice in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The Trust is a company limited by guarantee (number 02011021) and registered charity (number 294377). The details of Trustees, senior staff and professional advisors engaged by the Trust are set out on page 1.

Structure, Governance and Management

Like every organisation in the sector and every sector in the economy, Milestones Trust has seen its structure, governance and management tested through the Covid-19 crisis in 2020/21 and during the post pandemic recovery in 2021/22. We have seen trustees depart as their terms of office ended. New trustees have joined, and continue to join, bringing new perspectives and backgrounds. We have been very fortunate in recent years to have found trustees with a wide range of knowledge and experience, in the sector and from outside it. This section of the report outlines the formal, structural elements of governance and how the Trust adapted to the challenges that Covid presented.

Milestones Trust is governed by the terms of its Principal Trust Deed and its Articles of Association. The Trust was incorporated on 16 April 1986. The Articles were revised and updated on 9th July 2018.

As set out in the Articles of Association, the Board of Trustees (who are directors for the purpose of company law) consist of no less than five members and no more than fifteen. All Trustees are appointed by resolution.

The term of office for a Trustee shall be three years, at the end of which they shall retire. A Trustee shall be eligible for reappointment by the Trustees for up-to a further two terms, each of three years. No Trustee shall serve for more than 9 consecutive years, unless the Trustees consider it would be in the best interest of the Trust for a particular Trustee to continue to serve beyond that point and that Trustee is reappointed in accordance with the Articles. The Board currently numbers 10.

Trustees are sought in a variety of ways to ensure that collectively they have the range of skills and experience required to govern a health and social care charity with a turnover in the region of £30 million. This means Trustees come from all walks of life, some with experience of health and social care, and some with experience of business or law or property management. Regular skills audits are conducted to guide the recruitment of new Trustees. In recent years the Trust has specifically used recruitment agencies specialising in business/executive recruitment in order to augment the skills and experience of the Trustees, as well as advertising locally and nationally. The Trust also aims to have a diverse membership with Trustees being representative of the communities in which we support people, wherever possible.

All Trustees undertake an induction, including an awareness of their governance responsibilities. Trustees are also offered the opportunity to attend other relevant training courses. The Trustees meet at least four times a year as a Board, as well as participating on committees. Following a review of Board and committee arrangements the committees are now: Support & Development, Finance & Resources, (both of which meet at least quarterly) and a new committee, Governance & Risk, which will meet at least twice a year. All committees report to the Board. The primary roles of these committees are scrutiny and development of the future direction of the Trust, and their work and advice inform Board decisions.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The day-to-day running of the Trust is delegated to the Chief Executive, who exercises executive responsibility within a scheme of delegation to the Executive Management Team (Exec). The Exec is held accountable for the successful implementation of business plans, maintenance of standards, and financial management of the Trust. Their collective experience has proved invaluable in meeting the on-going challenges of operating in the social care sector during, and after, the Covid-19 pandemic.

The Trust plays an active role in the local health and social care communities, where it operates, principally in Bristol, South Gloucestershire and North Somerset. Trust staff and the people we support are encouraged to participate in opportunities to comment on and shape service developments. Trust staff serve on a range of groups, from local authority providers' forums to specific service improvement groups.

Our membership of VODG (Voluntary Organisation for Disability Groups) and Care & Support West, a regional organisation of service providers, assist the Trust to lobby on national and local policy issues which affect it strategically and operationally. Both organisations have provided excellent support to providers during the pandemic and beyond.

The Trust's key partnerships are with the local authorities and the new healthcare partnership organisations Integrated Care System Boards (ICBs), which now incorporate the previous work of clinical commissioning groups. The two ICBs we work with are those of Bristol, North Somerset and South Gloucestershire (BNSSG) and of Bath & North East Somerset, Swindon and Wiltshire (BSW). These authorities commission a significant proportion of the Trust's services. The close partnership working we have enjoyed with these commissioners has been more important than ever during the pandemic, and these key relationships are closer as a result.

Objectives and Activities

The Trust's objective, set out in the articles of association, is 'to promote and protect the health and wellbeing of people with autism, cognitive impairment, dementia or other mental or related health needs by providing nursing, social care, accommodation, education, training and support'.

Vision & Mission Statement

Milestones Trust's vision is that people have opportunities to live happy and fulfilled lives.

The mission is: 'to achieve our vision by promoting health, wellbeing, independence and engagement for people living with learning disabilities, mental health needs and dementia'.

The Trust's core values can be found on the Trust's website (www.milestonestrust.org.uk).

Strategic Plan

During 2021 and early 2022 the Trust further developed its Strategic Plan, and this was approved by the Board in March 2022.

Strategic Focus for 2022/23

The three key areas for focus in 2022/23 are:

- Financial recovery
- Maintaining quality
- Achieving growth

With a particular focus on overcoming the post pandemic challenges of staff recruitment and retention in an economic recession.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Milestones Trust supports people with learning disabilities and enduring mental health needs and currently the core activity is the provision of nursing and residential care in 32 homes serving 234 people. The homes range from small domestic properties accommodating 4 or 5 people, to some larger specialist nursing homes registered for 14 or 15 people. Of these 32 homes, the Trust owns 26; the remainder are leased from housing associations or local councils.

In the past decade the Trust has widened the range of services it offers in response to the changing needs and choices of its beneficiaries and in particular has concentrated on a range of Supported Living services and services to help transition people from residential care to supported living and as much independence as possible. The Trust operates more than 30 Supported Living services, which also provide support to people with a learning disability or who have mental health needs. We offer support with accommodation (22 services) and provide care packages to people in their own homes (over 10 services). Of the supported living accommodation, 13 properties are owned by the Trust, the remainder are leased from housing associations or local councils. Promoting independence has always been one of the Trust's aims and enabling people to gain increased rights (and responsibilities) by becoming tenants is an important positive step on this journey. Around 200 people are supported to live the life they choose through these services.

The Trust also supports circa 50 people to access day opportunities in our "Stepping Forward" services which operate from two bases, one in Bristol and one in South Gloucestershire. Although numbers fluctuate, approximately a further 90 people access our respite services. The total number of people supported by the Trust therefore is circa 575.

The Trust continues to reduce residential provision, in which the building and service is registered with the Care Quality Commission, and increase supported living, where personal care for individuals is CQC-registered. The pandemic unfortunately slowed this process up, but our major priority remains to de-register residential services wherever possible.

To support the change process that de-registration requires, in late 2019 the Trust embarked on a significant project examining our existing culture and defining the changes needed to support our future direction. The pandemic necessarily halted the natural progression of this work but it was heartening to see an abundance of resilience and innovation displayed by our workforce as they continued to provide high quality, person-centred support in difficult circumstances. Attributes that are cornerstones of our culture project and that we will build on further.

As we continue to recover from the pandemic and face the challenges of economic recession, the expectations on our teams will change and we will revisit and reinvigorate our staff training programme and develop a learning and development strategy. In particular our person-centred approaches training is being redesigned as we welcome a return to some face to face training in this important area.

Public Benefit

We have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

The principal means by which the Trust provides opportunities for those who cannot afford the fees for our services is through the provision of support to people funded/part funded by local or health authorities.

We also further the mission and aims of the Trust through the provision of services over and above those funded by public contracts through donations from grant making Trusts and Foundations, corporate partners and grants awarded by local and national government departments. We organise community events that promote the inclusion of beneficiaries with their fellow citizens and encourage neighbours/neighbourhoods to attend 'fun' events that help break down prejudices/barriers to social inclusion.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Our arts activities, under 'Expressions', provide people we support with opportunities to explore their creativity and opportunities for the general public to appreciate the abilities of all those who use our services. Our 'Warmley Wheelers' initiative offers accessible bikes so people with varying abilities are able to enjoy cycling. We also support music sessions under the banner of 'Music Train' which encourage participation, and sponsorship, from the wider community. Whilst some of these activities had to be delivered differently in the height of the pandemic we found creative ways of widening participation. For instance, the musicians involved in Music Train have provided many activities online.

We work with other organisations to participate in local and national networks to promote/highlight the needs of our beneficiaries and, where possible, support beneficiaries to advocate/participate themselves.

In 2021-22, another significant contribution to public benefit was simply keeping the vulnerable people we support safe.

STRATEGIC REPORT

Achievements and Performance

The Trust publishes an Annual Review (available on our website, www.milestonestrust.org.uk) that illustrates the achievements of the people we support and our staff. It illustrates how the Trust "lives" its values.

The Health and Social Care environment has always been a demanding one, and for 2021-22 this was made considerably more challenging by the continued impact of the Covid-19 pandemic. In the earlier part of the financial year the barriers to filling empty beds in our services that the pandemic created meant that our financial losses were high. Though thankfully referral and placement processes have now started to return our occupancy to a more normal position.

The pandemic also changed the job market across the country permanently. The furlough scheme initially brought new workers to the sector, but this changed as lockdown ended and in 2021-22 we have had sector specific, and more general recruitment challenges as follows:

- Covid-related regulation forced us to employ individuals for only one service, a considerable burden on efficiency, which relaxed only towards the end of the financial year.
- Compulsory vaccinations for staff in registered care homes, imposed during late 2021, meant we lost 20 staff, who felt unable to comply with this requirement. Despite the government later removing this stipulation, few of these workers have returned to the sector.
- Many workers re-evaluated their working lives as a result of the pandemic, and withdrew from the labour market, creating very low unemployment. Resulting in several different employment sectors targeting the same, now smaller, market for staff.
- Restrictions on people coming to the UK for work (post-Brexit) has reduced the number of active job seekers in the market.
- While the pandemic 'ended' for the country it did not end for the care sector, where support workers still wear face masks and carry out stringent measures to limit the spread of infection. Regular spikes in infection rates across the country following events such as the jubilee, impact our services, creating further financial pressures covering staff absences.
- Moreover, and importantly for the Trust, the pandemic has exacerbated the national shortage of nurses.

All of this created significant staff resource pressures; recruitment and retention became even more difficult. Shifts having to be filled by agency became even more expensive as agencies also struggled to recruit sufficient workers. This resulted in significant overspends on staffing costs.

Another major impact of the pandemic for the Trust was the financial performance of our 45-bed specialist dementia service, Humphry Repton House. In 2020-21 we began the process of redesigning this service and

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

reducing capacity temporarily to 36 beds. While good progress was made on the service redesign and modernisation, referrals were poor and numbers reduced as our commissioners placed into more generic dementia services. This was a direct result of the pandemic with those more generic care homes for older people having higher than normal vacancies and adapting their offer to include the more complex market.

The service at HRH also suffered from the staffing issues described above, and the investment required in the building to complete the service modernisation could no longer be justified. The trustees therefore made the very sad decision in January 2022 to close the service, and this was achieved in June 2022. All the residents moved onto new placements, some within Milestones, and we retained many of the staff to work in our other services. The building has been sold (subject to planning permission) for redevelopment to housing, and the contract exchanged in August. Sale proceeds will enable the Trust to invest in the future in services/buildings which have a better strategic fit.

Despite all of those challenges, the year under review has seen some very encouraging achievements, many of which will put the Trust in a better position for the rest of 2022/23 and beyond:

- We opened a new supported living service for 4 young adults with learning disabilities experiencing independent living for the first time, in a refurbished property called Druetts Close. The service model involves the people we support in all decisions regarding the running of the service. It gives them opportunities to experience the risks, responsibilities, and joy of becoming an adult, whilst ensuring that it remains a safe space in which to learn. The property benefited from a full refurbishment throughout, creating a modern yet homely environment and the existing garage was turned into a self-contained flat that provides an independent living-space. Wifi was installed to ensure connectivity throughout the home, allowing the people we support to connect their own devices to high speed internet.
- We successfully tendered to support Bath & North East Somerset's ambitious project to reshape their mental health provision by commencing development of a Whole System for specialist mental health care and support. Their long-term aim is to take a Whole System approach to the delivery of specialist care and support for adults aged 18-64 with mental ill health and who have eligible social care needs. This includes specialist independence at home care and support, supported living and residential care for people with complex mental ill health. This is a two-phase project: Phase 1a means we can continue to spot contract with Bath & North East Somerset and we commit to involvement in system design; Phase 1b means we contribute to system design with these intended outputs. We were successful in our tender for Phase 1a.
- Maintaining quality during the pandemic has been a key focus. We have received five in-person inspections. Three services maintained their "Good" ratings, and although one service went from "Good" to "Requires Improvement", another went back to "Good". The Trust is very proud that at the point of signing this report 100% of our 32 registered settings are rated as Good or Outstanding. Our internal audit process has continued throughout the pandemic, and we have restructured the Quality team to better give focussed support to services.
- Data Protection and Information Governance. We again successfully completed the Data Security Protection Toolkit (DSPT) in June 2022, achieving 'Standards Met' but also meeting the requirements on many non-mandatory sections too. The DSPT is quite heavily IT focused, and so we have also been using the Information Commissioners Office (ICO) Accountability Framework tracker to assess how we meet the ICO's expectations and also to help us develop action plans for continuous improvement. The cross departmental Information Governance Group, continued to meet regularly ensuring appropriate oversight of data protection issues and a clear line to the Executive and the Trustees. Several sub groups were formed to progress particular workstreams such as policy review and communications, which are helping to embed data protection knowledge and awareness in our workforce, and a survey that was conducted to measure this gave us reassurance that the majority of staff feel confident to take the appropriate action on data security and data sharing protection issues.

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- In the summer of 2021 the Trust started to welcome back volunteers who had been volunteering before the pandemic. Recruitment of new volunteers resumed in October 2021 and we also welcomed team volunteering over the summer of 2021 for outdoors projects. Therefore, 2021/22 saw a shift back towards face to face volunteering, although slowly and cautiously, with risk management processes in place. The positive impact on the people we support and our staff was profound. Staff said 'the volunteer we have at the home has brought happiness and joy to the home', and volunteers said the best thing about volunteering for the Trust was 'meeting people and doing things that add value and interest to their lives' and 'seeing a welcoming smile; hearing "come again"'. The estimated value of corporate and individual volunteering is over £50,000 for 2021/22.
- We continued to implement and roll out our new HRIS (Human Resources Information System), Following successful implementation of payroll and HR modules and the self-service functions for electronic payslips in 2020, further functionality was added over the year; in addition to other HR modules (recruitment, on-boarding, learning and development), our e-rostering system was also rolled out across the organisation. In addition to integrating data with payroll e-rostering provides reliable and robust management information, enabling more responsive and effective decision making.
- Fundraising continued to be negatively impacted by Covid-19, and this, alongside the loss of the Trust's Fundraising Co-ordinator in January, affected the year's results. Many trusts and foundations concentrated their efforts on providing emergency support to small and medium charities who were vulnerable to closure whilst dealing with a massive upsurge in demand. Fundraising with corporates ceased with staff working from home or on furlough. Despite this, fundraising through grants from trusts and foundations, crowdfunding campaigns and other donations, including a virtual cycle challenge, achieved over £30,000 for the year. This went predominantly on running (and improving) Warmley Wheelers cycling scheme and our Expressions Arts participants and Exhibition. We were also successful with a major donation of £250,000 to help us renovate and re-purpose a large 15 bedroom empty property, Graeme Close, into an 8-person supported living transition service for adults with learning disabilities and complex needs (see plans for the future).
- Addison Apartments, an innovative supported living scheme in Sea Mills for five young people with physical impairments and additional learning difficulties opened in July 2022. Tenants will be supported to access their local communities and to achieve their individual potential through supported living.
- In order to understand the current IT landscape across the Trust, our current infrastructure and areas for improvement, our IT team conducted a Technology review which then led to the creation of an IT strategy and a roadmap that set out key initiatives over a three-year timeframe. In order to test our thinking, and provide confidence in the roadmap, a number of 'proof of concept' projects were undertaken as set out below;
 - End-user computing proof of concept - to showcase new ways of working
 - Services network modernisation proof of concept - to deliver Wifi and Internet access across all corners of the Service/Home (incorporating a Wifi/Internet installation at Druetts Close)
 - Introduced a new IT service management system making it easy to contact IT Support and be kept up to date on the progress of IT requests or case
 - Implemented a mechanism to securely bulk upload and store third party vaccination evidence
 - Enhanced the process for on-call emergency out of hours
- To increase our Cyber Security, an external vulnerability test on the Trust Office and services where Milestones provide internet access was undertaken and successfully completed. Although, the results were positive we have sought to build improvements into the key initiatives planned over the next few years and a plan was put in place to carry out this test annually to ensure our internet facing systems (i.e. remote access and email) remain secure.

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The need to work more efficiently has never been so important, and in line with the priorities outlined above we have worked to reshape our operational management structure. This has meant removing two layers of management, and the old structure of 2 Divisional Directors and 6.8 full time equivalent Area Managers has been replaced by 4 Senior Operational Managers (3 in LD and 1 in MH), each of whom manage an average of 7 direct reports. Each Senior Operational Manager takes responsibility for around £7m of business. The focus of these roles is to ensure that we deliver on our key priorities: financial turnaround, maintaining (or improving) quality, and growth. To support the cultural change this structure has required, we have also restructured the Quality team, introducing a Compliance Lead and merging some posts.

The international shortage of nurses has continued to put pressure on our nursing services, and we have continued to work to introduce a method of providing targeted nursing support. In consultation with the CCG commissioners then in post, this has seen the provision of shared nursing support not only in our mental health services but also across two LD services and our respite provision. We have continued to embrace the introduction of the Nursing associate qualification, and as our first two trainees near registration, they have been joined by a second cohort and recruitment is underway for a third.

In February we were joined by a new Head of Communication and Marketing – a post that had remained vacant during the pandemic. Priorities for this role include revamping recruitment marketing through promotion of the organisation's brand, and particularly more extensive use of social media. Plans were also developed to increase stakeholder interaction (which could not be achieved through the period of restrictions associated with the pandemic), through re-establishing and developing links with education providers, job centres and employment projects. By the end of the financial year a campaign was planned, and materials developed for its launch.

The strategic objectives determine other priorities for the role; including employee engagement and brand promotion to support organisational growth.

Financial Review

The majority of the Trust's income consists of contract income from Local Authorities and local health commissioners. The amounts shown under 'donations and legacies' this year was again much higher than usual, representing in large part the specific government grant income passed through to us as a provider by our commissioners to help with the exceptional cost pressures of Covid-19 pandemic. The amounts shown as restricted funds were for specific uses relating primarily to infection control and rapid testing.

2021/22 was a challenging year, both operationally and financially, as this trustees' report shows. The second year of the pandemic had a profound impact on society as a whole with many people rethinking how they wanted to engage with work leading to a general reduction in those actively looking for work as well as potential and existing, employees seeking maximum flexibility. This created a more difficult environment for recruitment and staff retention, particularly in social care where 24/7 shift working is required. When added with single service staff cohorting and compulsory covid vaccinations, our reliance on agency staff increased, with significant additional costs. The social care staffing crisis therefore had the biggest impact on our financial performance and was the primary reason behind the operational deficit generated for the year of (£487,244). After gains on the investment assets of £72,166, the statement of financial activities shows a deficit of (£415,128) (2021 surplus £1,346,679). The Statement of Cash Flows on page 21 reflects the performance for the year.

The Trust continues to take actions to address the disappointing financial performance of recent years (see Plan for the Future section) and has been able to set a modest operational surplus budget for 2022/23, though this goal is being challenged by the worsening rate of inflation and the continued uncertainties of national and world events. To focus on the Strategic Priorities for 2022/23 of financial recovery, maintaining quality and growth the operational management structure of the Trust has been reviewed (see Achievements and Performance section) so that the new Senior Operational Managers (SOM's) can work more closely with their Service Managers to bring about the changes needed. These include service redesigns and modernisations to ensure our services are fit for purpose and our voids are filled quickly, the development of new services, and a focus at a local level on

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the effective deployment of staff resources, improved staff recruitment/retention and reduced agency reliance. All of this is being balanced with the continued impact of operating in an environment where we continue to live with covid and its repercussions, and the knowledge that the previously received government specific covid related grant income for the sector has ceased.

Despite the challenging financial year, demand for Trust services and the underlying Trust balance sheet remain sound. At 31 March 2022 Net Current Assets stood at £5.2m (2021: £5.8m), and Net Total Assets were £21.2m (2021: £21.6m). The Trust is also clear of debt with no outstanding loans or mortgages.

The importance of acting swiftly to ensure that the Trust can return to achieving surpluses in normal operating conditions in the near future remains foremost in our efforts. The importance of maintaining reserves and safeguarding the Trust's financial position is vital to the wellbeing of all the people we support now, and hope to support in the future, as well as to our staff.

Fundraising costs of £29,230 (see Note 9) relate primarily to the internal Trust costs attributed to supporting this function. During 2021/22 grants and donations of £1,197,312 were received, of which £909,052 were restricted, having been donated for specific purposes (see Note 3).

Reserves policy

The reserves policy will always seek to reflect the reality of the operating environment of the social care sector, as well as challenges or ambitions of the Trust. It will reflect the annual plan and strategy, as well as the organisational, strategic and major risks register.

The Finance & Resources Committee (FRC) annually reviews both the policy, to assess its relevance and effectiveness, and various elements of the organisation's risk profile to ensure that reserves targets are appropriate to the current circumstances. Any changes are recommended to the Trustees.

After the most recent review the FRC concluded that a risk-based reserves policy was still the most appropriate (as opposed to an actuarial/returns based policy) for the Trust, especially given financial performance, the social care recruitment crisis and the economic recession. The policy is based on a specific, tailored, risk-based approach which assesses what level of free reserves the Trust thinks is appropriate, and why.

In devising a tailored risk-based reserves policy, we have identified the elements of reserves that we wish to provide for and have established an appropriate value range for each. The reserve elements identified are:

- Working Capital.
- Organisational Change Management Support Fund.
- Investment/Innovation Fund.
- Property Investment.
- Operating Risk. This is in 3 strands:
 - Emergency cover to provide for one or more catastrophic events (the Covid-19 pandemic could be seen as a catastrophic event).
 - A provision for the various risks identified throughout the organisation which could impact on the delivery of the strategy (monitored via a risk register)
 - Financial performance, acknowledging the risks of managing against budget in a volatile market

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In consideration of the above risk elements, the Trustees determined an appropriate reserves target lay in the range of £6.5m to £12.25m (unchanged from the previous year). The target range was achieved with reserves of £6.76 million at 31 March 2022. Reserves are here defined as those Unrestricted Income Funds not invested in land and buildings and other tangible fixed assets (i.e. 'free' reserves). In view of the current sector trading conditions the policy also defines a minimum (or critical) reserves level of £3.5m, and the reserves held well exceeded this critical-reserves level.

The Trust will be investing in its IT strategy 2022/23 – 2024/25 and trustees have agreed to commit from reserves (investment/innovation fund) the funds necessary to achieve this (see Plans for the Future section). The Trust is also utilising its reserves (organisational change) to achieve the closure of Humphry Repton House.

Investment Policy and Investment Portfolio Performance

The Trust holds an investment in the Barclays Managed Charities Fund. On a day-to-day basis the fund is managed by professional fund managers who have an investment objective to maintain a balance between capital appreciation and income, subject to a medium degree of risk.

The Trust has an agreed Investment Policy in place, and in line with that policy invested a further £500,000 into the Charity Fund in November 2021. The Trust's investment portfolio, unsurprisingly, saw some volatility during the early months of 2022 as a direct result of market uncertainty caused by inflation and the Russian invasion of Ukraine. Despite this, as at 31 March 2022 the total value of the portfolio stood at £1,991,923 (note 15) compared to £1,419,806 as at 31 March 2021. The value of income received on these investments during the year amounted to £39,883 (note 4), representing 2% of the year-end valuation, comparing favourably to bank interest rates. The Trusts policy is to obtain a return on these investments that exceeds the return that would have been achieved from normal cash investments, while maintaining and growing (over the longer term) their value.

Fundraising Policy

In its income generation activities Milestones Trust follows the requirements of charity legislation, money laundering and anti-corruption legislation and the standards promoted by the Fundraising Regulator and the Institute of Fundraising.

Milestones Trust therefore accepts financial support on the following conditions:

- The support can contribute to the furtherance of their charitable aims and objectives.
- The Trustees are satisfied accepting such support will not cause adverse publicity which affects our standing in the community in which we operate, our ability to raise funds from other established supporters or which will be detrimental to our professional reputation as a service provider.
- The Trust will not endorse or approve the services of any company, in particular those associated with its work (undertakers, solicitors etc.) whether in return for financial or other support or not.
- The Trust will not sell any of its databases for any reason.

Risk Management

The major risks to which the charity is exposed, as identified by Trustees, have been reviewed and systems have been established to mitigate those risks. These risks and systems are reviewed regularly by Trustees. Some risks can be mitigated by insurance and the observance of policies and procedures, whilst others require the establishment of a level of reserves.

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Covid-19 Pandemic

The Covid-19 pandemic, with successive lockdowns, naturally presented new challenges which were most evident in 2020/21. The Trust put together a specific Covid-19 risk register, identifying new risks and mitigating actions which the Exec updated regularly and shared with Trustees. This pandemic risk register has now been combined with the Trust's main organisational risk register.

General risk

The Trust has continued to review and respond to developing risks, and the experience of compiling and updating the Covid-19 risk register allowed us to review how we recognised, recorded and mitigated against risk across the Trust. This is continually under review and an externally facilitated session with Trustees has also been held to look again at the process of risk management in the Trust. Insurances (including Business Continuity cover) are maintained and reviewed annually to ensure they meet the needs of the business. Business continuity planning is maintained at a Trust-wide and service/home level.

The principal risks facing the Trust continue to relate to the consequences of the financial constraints upon the public sector funding of health and social care, and the social care staffing crisis, both of which have increased in the wake of the Covid-19 pandemic. This affects our ability to pay competitive rates of pay for staff who are required to be skilled and committed, and who have numerous other options within the job market. The issue of recruitment and retention has particularly impacted upon nurses, where there is a national shortage. While we are working hard to overcome those issues, the Trust continues to require high levels of agency staff, particularly nurses.

The Trust continued to develop strategic actions plans for recruitment, retention and reduced reliance on agency and these have been flexed to adapt to the changes in the job market created by Covid-19. Focusing on attracting good candidates; recruiting consistently, inducting and nurturing new starters and retaining our experienced staff remains key to reducing reliance on agency workers. Where we need to use agency, we have a lead agency provider agreement and also a short list of secondary preferred-agency providers.

Maintaining quality is a critical factor for all providers in the sector. Milestones Trust operates a Quality Assurance system which is underpinned by CQC's key standards. The results of CQC inspections are reported to the Board of Trustees at each meeting, and action plans are put in place to address any issues identified.

Going concern

The Trustees will ensure appropriate resources are available such as may be required, to enable day to day working capital requirements to be met for a period of at least 12 months from the date of approval of these financial statements.

The care sector has been significantly impacted by the Covid-19 pandemic, and while government financial support alleviated some of the immediate additional costs, the repercussions have been, and will continue to be, significant for some time to come.

The operational reorganisation discussed above has given better focus on financial turnaround, and services have compiled financial improvement plans with clear measurable actions to ensure future sustained viability. These financial plans together with monthly reporting and forecasting, tight budget control and careful cash management during the crisis, have led to the Trustees' conclusion that the long-term impact on the Trust should be modest. Therefore, the Trustees anticipate that Milestones will continue to operate within its current financial projections and be able to tolerate a reasonable level of unforeseen circumstance.

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Plans for the future: Our current strategy

Delivering responsive, reliable, high-quality, person-centred services has always been at the heart of our organisational strategy, and this continues. For 2022/23 the areas of focus are financial recovery, maintaining quality and achieving growth and these fit with our central strategic commitments as follows:

- Continue to deliver continuous improvement in the services we provide, always focusing on quality and person-centred outcomes for the people we support (maintaining quality)
- Find creative and innovative ways to ensure that we do this while also maintaining financial sustainability (financial recovery)
- Extend our services to enable more people to benefit (achieving growth)

We will need to work with people we support and other key stakeholders to develop new and creative models of service delivery that continue to provide quality outcomes.

Funding has been scarce for many years within Social Care, but despite these challenges we are aware that the need for our services has grown over the past years. There are still too many people with learning disabilities or mental health conditions who die early, lack employment, face loneliness or who are living in hospital settings because there are not sufficient services to meet their needs.

Some of the key activities for the coming year include:

- A structured focus on implementing and monitoring a number of cross organisational Key Performance Indicator's (KPI's) that have been identified as essential in order for us to achieve the 3 key areas outlined above. All Directorates have prioritised departmental objectives focusing on the essential key areas of work required for us to achieve our aims (these KPIs have also been cross referenced with the workstreams identified within the risk register). All the KPIs have detailed plans in place which are monitored both at local level as well as regularly by the Executive team and the Board.
- Alongside initiatives to modernise our service provision the financial viability of services is being addressed. The Operations restructure created 4 Senior Management roles with a focus on both quality and financial performance. Our recently introduced electronic rostering system now provides detailed data which will enable managers to deploy staff efficiently and effectively. The service financial improvement plans continue to be closely monitored to ensure real change happens to enable the Trust to operate in a long-term sustainable way.
- The programme of deregistration, although disrupted by the pandemic, will continue as we offer Supported Living services to people with more complex needs. This will continue to be the default service model, but it will sit alongside a suite of specialist services.
- We will address our reliance on agency workers through analysing demand data available through our workforce management (e-rostering system) and considering whether there are more cost-effective options for managing supply.
- We have an intensive focus on recruitment – monitored through the KPIs. Our Recruitment and Marketing departments are working closely on developing and piloting initiatives, helping to address some of the sector wide challenges.

Further notable actions for the coming year are these:

- Business development strategy – We have appointed a Director of Business Development who is focusing on two key areas this year: a) The development of a number of projects to deliver further supported living accommodation that have been planned for some time but had been delayed due to the restrictions during the pandemic, and b) Working closely with our local and neighbouring I.As and the new Integrated Care Partnerships, ensuring that Milestones has a robust and flexible place within the

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- care provision market, building on our skills and expertise, and creating a pipeline of growth for the next 4 years.
- Increased system integration – developing a management information ‘rich picture’ to support agile decision making, to build in efficiencies, and support growth.
- Commission condition surveys of all our properties in order to understand the investment requirements in short, medium and longer term. This will enable better and more informed decision making on where and when we should invest reserves into our estates, and those properties we should plan to dispose of. We are undertaking the first phase of a ‘First Impressions’ programme, investing in the external areas of properties and what greets you upon arrival. The success indicated by the feedback received following this investment will inform future years and phases. For prospective capital projects, we are engaging professional services earlier on in the design and feasibility stages to consider options, make best decisions from an affordability perspective and consider latest thinking around accommodation for Care settings. Develop partnership arrangements with housing associations and private landlords to source new properties where the Trust could provide support.
- 45 Mayfield Park North has been vacated and is under consideration for re-development. Current considerations focus on developing a supported living service for people with learning disabilities, similar to the Druetts Close re-development, with a refurbishment throughout, changing the existing ‘double-garage’ into a self-contained flat and altering the basement flat so it can be accessed externally; thus, providing a degree of independent living. We expect the business case to be developed through Q2 2022.
- We are committed to continuing to support families in the Bristol and South Glos areas through the provision of respite services for adults with a learning disability. Grouping these services together with our day opportunities services (Stepping Forwards North and South) offers a synergy with staffing and support that we plan to capitalise on and in partnership with our Commissioners hope to see a greater emphasis on outcome based and ‘non-building’ based services in the coming year.
- Our supported living services were not affected by the operational services changes introduced in 2019, and work we had planned to begin in 2020 was disrupted by the pandemic. Under the new Senior Operational structure, the work in reviewing and rationalising the management of these services is now underway in earnest. One likely outcome will be managers working under a revised job description, with greater clarity regarding accountability and priorities.
- Implementation of our Information Technology (IT) Strategy to support the strategic direction of the Trust, focusing on agile and integrated systems that also support compliance with data protection legislation and good practice such as data mapping and record keeping. IT investment has been approved by the Board this year, which commences in Q1 2022. This provides a 2- to 3-year investment programme that focuses on the following:
 - Trust Office Network; the installation of new IT infrastructure that provides a stable, fast and reliable internet and Wifi connectivity – improving the user experience for all staff who work at or visit Trust Office.
 - Server Migration; the relocation of our current servers from Trust Office to an off-site, purpose built facility that specialises in hosting server systems for clients. This will ensure 24/7 availability, reduce likelihood of outages which supports our business continuity and increases the security of our servers and systems.
 - Service Network Modernisation; commencing the 2 year roll-out to our services/Homes of new fast internet services that will greatly improve connectivity and user experience. This will build on the knowledge gained through the Druetts Close installation last year. Our homes will have an internet experience that they can have confidence in, exploit to its fullest potential.

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- End User Computing; develop a laptop only build based on the latest version of Microsoft Windows and fully integrate it with Microsoft 365. This approach will provide a fully managed, maintained, encrypted user centric device including leading anti-virus and software update software. Access to Milestones secure servers will be through an SSL VPN which provides full encryption when connected over the internet.
- Personal documents will be stored locally and replicated to Microsoft 365. This functionality enables people to work online or offline as documents are synchronised automatically to the Microsoft 365 cloud when you next connect to the Internet.

- The Information Governance Annual Report is currently being drafted and contains a more detailed account of activities over the last 12 months together with a draft workplan for the coming year. We'll be continuing to embed the role of Caldicott Guardian and data privacy by design and default, e.g., through privacy assessments, data sharing agreements, process reviews, and involvement of people we support. Alongside that, we'll be considering the government's strategies for data use (and digitisation of data) in health and social care, and what we need to do as a charity to meet those targets and keep ourselves competitive.
- Continue to look for new developments in all our disciplines. The introduction of Integrated Care Partnerships has opened up new commissioning pathways. One example is our work in shaping and supporting an Alliance framework for mental health services in the Bath & North East Somerset area. This entails close partnership working with other providers, currently Bath MIND and Arch Care in delivering a shared pathway for clients funded by B&NES, including the introduction of a "trusted assessor" role.

The Trust is committing itself to expand its capacity in areas identified as important by the people we support, their families, commissioners and other partners. Like other charities, we work across boundaries, in our case health, social care and housing. We are close to the user and have a passion for good quality services.

Employment policies

Milestones Trust promotes equal opportunities and celebrates diversity within all areas of its work, and it works in partnership with SARI, a specialist charity, which provides the organisation with expert support and advice. The Trust has policies in place to ensure that employees are consulted and provided with appropriate information in order that they are fully involved in the organisation's performance and are aware of its future direction. Regular Service Managers meetings are held in which significant new (or revised) policies are launched. Appropriate external and internal training is provided when implementing policies and is ongoing to ensure that new managers have the appropriate knowledge and skills to manage in accordance with the Trust's culture. A Trust-wide virtual manager meeting is held fortnightly; initially this was part of our response to the Pandemic, but it has been recognised as a useful means for information exchange and has become part of the communication strategy. We also produce a quarterly magazine, 'One Trust', for all our staff and the people we support.

The Trust operates an open culture and the Chief Executive and the Exec team regularly visit homes and services and encourage staff to open channels of communication. The Trust has a recognition agreement with Unison and consultation takes place regarding matters relating to pay and conditions of employment.

The Trust's pay strategy is set by the Board, including the remuneration of the CEO and the approach to pay awards is considered, as part of budget setting, taking into account regional, and sector benchmarking and financial parameters.

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Streamlined energy and carbon reporting (SECR)

The table below represents the Trusts energy consumption and emissions for the year ended 31 March 2022. This is the Trusts first time SECR disclosure.

| Energy consumption used to calculate emissions | kWh |
|---|--------------|
| Natural gas | 4,407,098 |
| Electricity | 1,417,310 |
| Vehicles | 308,254 |
| Total energy consumption (kWh) | 6,132,662 |
| Scope 1 emissions in metric tonnes CO2e | tCO2e |
| Natural gas | 810.33 |
| Vehicles | 71.92 |
| Scope 2 emissions in metric tonnes CO2e | |
| Electricity | 330.43 |
| Total gross emissions in metric tonnes CO2e | 1,212.69 |
| Intensity ratio tCO2e per average FTE employee | 1.59 |

We have used the key performance indicator of energy consumption per average FTE as the Trust's key activities are drive by the level of support required for individuals with learning disabilities and mental health needs, which directly drives the number of employees and the consumption of energy by those employees.

SECR methodology statement

Emissions have been grouped according to the GHG Protocol Corporate standard.

We have used the following data sources for the report:

- Natural gas & electricity - energy supplier billing data
- Vehicle fuel - litres purchased (fuel cards) using average prices & mileage reimbursed to employees using average consumption rates and average prices

CO2 emissions have been calculated from The Carbon Trust conversion factors (based on BEIS published data 2020).

Energy efficient action taken in the reporting period

- Externally commissioned Carbon Footprint Report for the Trust to enable a carbon reduction plan to be produced
- Replacement of light fittings and bulbs with LED alternatives
- Improved staff engagement regarding energy consumption, including staff surveys to collate information for incorporation into the calculation of Carbon Footprint of the Trust.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Statement of Trustees' responsibilities

The Trustees (who are also directors of Milestones Trust for the purposes of Company Law) are responsible for preparing the Strategic Report, Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing those financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2015;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charitable parent company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' Report (incorporating the Strategic Report) was approved by the Board on 26 September 2022 and signed on its behalf by

D Nordberg
Chair



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

Opinion

We have audited the financial statements of Milestones Trust for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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. Based on our understanding of the charity and its industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the trustees' and 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 posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue (which we pinpointed to the cut-off assertion) and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the parent charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

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

Signed:



Jonathan Marchant (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street, Bristol, BS1 6DP

Date: 26/9/22

MILESTONES TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

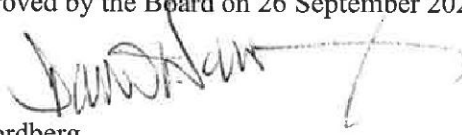
| | Notes | Unrestricted funds 2022 | Restricted funds 2022 | Total 2022 | Unrestricted funds 2021 | Restricted funds 2021 | Total 2021 |
|--|-------|-------------------------|-----------------------|-------------------|-------------------------|-----------------------|-------------------|
| | | £ | £ | £ | £ | £ | £ |
| INCOME FROM | | | | | | | |
| Donations and legacies | 3 | 38,512 | 1,158,800 | 1,197,312 | 634,715 | 1,580,108 | 2,214,823 |
| Other trading activities | | 24,959 | - | 24,959 | 20,656 | - | 20,656 |
| Income from investments | 4 | 43,165 | - | 43,165 | 43,609 | - | 43,609 |
| Incoming resources from charitable activities | 5 | 28,954,691 | - | 28,954,691 | 27,599,322 | - | 27,599,322 |
| Surplus on disposal of fixed assets | | 77,132 | - | 77,132 | 362,789 | - | 362,789 |
| TOTAL INCOMING RESOURCES | | 29,138,459 | 1,158,800 | 30,297,259 | 28,661,091 | 1,580,108 | 30,241,199 |
| EXPENDITURE ON | | | | | | | |
| Raising funds | 9 | 29,230 | - | 29,230 | 29,616 | - | 29,616 |
| Charitable activities | 6 | 30,755,273 | - | 30,755,273 | 29,118,939 | - | 29,118,939 |
| TOTAL RESOURCES EXPENDED | | 30,784,503 | - | 30,784,503 | 29,148,555 | - | 29,148,555 |
| NET INCOME/(EXPENDITURE) BEFORE OTHER RECOGNISED GAINS/(LOSSES) AND TRANSFERS | | (1,646,044) | 1,158,800 | (487,244) | (487,464) | 1,580,108 | 1,092,644 |
| Net gains/(losses) on investment assets | 15 | 72,116 | - | 72,116 | 254,035 | - | 254,035 |
| NET INCOME/(EXPENDITURE) | | (1,573,928) | 1,158,800 | (415,128) | (233,429) | 1,580,108 | 1,346,679 |
| Gross transfers between funds | | 797,944 | (797,944) | - | 1,628,876 | 1,628,876 | - |
| NET MOVEMENT IN FUNDS | | (775,984) | 360,856 | (415,128) | 1,395,447 | (48,768) | 1,346,679 |
| Total funds brought forward | | 19,499,172 | 2,109,270 | 21,608,442 | 18,103,725 | 2,158,038 | 20,261,763 |
| Total funds carried forward | | 18,723,188 | 2,470,126 | 21,193,314 | 19,499,172 | 2,109,270 | 21,608,442 |

*All activities relate to continuing operations.
The notes on pages 23 to 39 form part of these financial statements.*

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

| | Notes | Unrestricted Income Fund 2022 £ | Restricted Funds 2022 £ | Total 2022 £ | Unrestricted Income Fund 2021 £ | Restricted Funds 2021 £ | Total 2021 £ |
|---|-------|---|----------------------------------|--------------------|---|----------------------------------|--------------------|
| FIXED ASSETS | | | | | | | |
| Tangible assets | 13 | 11,584,835 | 2,160,823 | 13,745,658 | 12,133,607 | 2,044,392 | 14,174,999 |
| Intangible assets | 14 | 306,949 | - | 306,949 | 280,720 | - | 280,720 |
| Investments | 15 | 1,991,923 | - | 1,991,923 | 1,419,806 | - | 1,419,806 |
| Total fixed assets | | <u>13,883,707</u> | <u>2,160,823</u> | <u>16,044,530</u> | <u>13,831,133</u> | <u>2,044,392</u> | <u>15,875,525</u> |
| CURRENT ASSETS | | | | | | | |
| Debtors | 16 | 1,862,165 | - | 1,862,165 | 1,772,433 | - | 1,772,433 |
| Cash at bank and in hand | | 5,451,438 | 309,303 | 5,760,741 | 5,887,207 | 64,878 | 5,952,085 |
| Total current assets | | <u>7,313,603</u> | <u>309,303</u> | <u>7,622,906</u> | <u>7,659,640</u> | <u>64,878</u> | <u>7,724,518</u> |
| CREDITORS: Amounts falling due within one year | 17 | (2,448,729) | - | (2,448,729) | (1,908,655) | - | (1,908,655) |
| Net current assets | | <u>4,864,874</u> | <u>309,303</u> | <u>5,174,777</u> | <u>5,570,985</u> | <u>64,878</u> | <u>5,815,863</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>18,748,581</u> | <u>2,470,126</u> | <u>21,218,707</u> | <u>19,582,118</u> | <u>2,109,270</u> | <u>21,691,388</u> |
| CREDITORS: Amounts falling due in over one year | 18 | (9,072) | - | (9,072) | (19,958) | - | (19,958) |
| PROVISIONS for liabilities and charges | 20 | (16,321) | - | (16,321) | (62,988) | - | (62,988) |
| NET ASSETS | | <u>18,723,188</u> | <u>2,470,126</u> | <u>21,193,314</u> | <u>19,499,172</u> | <u>2,109,270</u> | <u>21,608,442</u> |
| FUNDS OF THE CHARITY | | | | | | | |
| Funds invested in fixed assets | | 11,871,826 | - | 11,871,826 | 12,380,482 | - | 12,380,482 |
| Investment revaluation reserve | | 83,459 | - | 83,459 | 5,651 | - | 5,651 |
| Funds available for use | | 6,767,903 | - | 6,767,903 | 7,113,039 | - | 7,113,039 |
| Unrestricted income funds | 23 | 18,723,188 | - | 18,723,188 | 19,499,172 | - | 19,499,172 |
| Restricted funds | 24 | - | 2,470,126 | 2,470,126 | - | 2,109,270 | 2,109,270 |
| TOTAL CHARITY FUNDS | | <u>18,723,188</u> | <u>2,470,126</u> | <u>21,193,314</u> | <u>19,499,172</u> | <u>2,109,270</u> | <u>21,608,442</u> |

Approved by the Board on 26 September 2022 and signed on its behalf by


D Nordberg
Chair

The notes on pages 23 to 39 form part of these financial statements.

MILESTONES TRUST**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022**

| | 2022 | 2021 |
|---|-------------------------|-------------------------|
| | £ | £ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net incoming resources | (415,128) | 1,346,679 |
| Adjustments for: | | |
| Depreciation and amortisation | 523,129 | 490,180 |
| (Surplus)/loss on sale of property, plant and equipment | (77,132) | (362,789) |
| Investments (gains)/losses | (72,116) | (254,035) |
| Investment income | (43,165) | (43,609) |
| Interest expense | 363 | 1,676 |
| Trade and other receivables | (89,732) | 14,350 |
| Trade and other payables | 504,111 | (254,997) |
| | <u>330,330</u> | <u>937,455</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (155,454) | (137,872) |
| Purchase of intangibles | (126,591) | (175,854) |
| Proceeds on disposal of property, plant and equipment | 228,455 | 510,532 |
| Additions to investment funds | (500,000) | - |
| Interest received | 43,165 | 43,609 |
| | <u>(510,425)</u> | <u>240,415</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (363) | (1,676) |
| Finance lease repayments made | (10,886) | (10,886) |
| | <u>(11,249)</u> | <u>(12,562)</u> |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (191,344) | 1,165,308 |
| Cash and cash equivalents at the beginning of the year | 5,952,085 | 4,786,777 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u><u>5,760,741</u></u> | <u><u>5,952,085</u></u> |

The notes on pages 23 to 39 form part of these financial statements.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

COMPANY INFORMATION

The company is a private company, limited by guarantee and is incorporated in England & Wales. Its registered office address is Unit 10, Eclipse Office Park, High Street, Staple Hill, Bristol BS16 5EL. Milestones Trust meets the definition of a public benefit entity under FRS102.

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (“FRS 102”), and with the Companies Act 2006. They follow the recommendations in the Charities Statement of Recommended Practice (FRS 102). The Trustees have, in accordance with s.396 of the Companies Act 2006, departed from the standard format of the income and expenditure account in order to give a true and fair view and comply with the Statement of Recommended Practice.

The financial statements have been prepared on the historical cost basis except as specified in the accounting policies below. The financial statements are presented in Sterling (£) and are rounded to the nearest £.

Going concern

After reviewing the forecasts and projections, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The impact of Covid-19 has been taken into account and while the outcome of the pandemic remains uncertain the Trust has robustly managed the challenges presented so far, both operationally and financially, and has confidence in its ability to continue to do so. The Trust therefore continues to adopt the going concern basis in preparing its financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Costs of a capital nature are capitalised when they relate to new purchases of significant value. Direct replacements of assets such as white goods are treated as revenue expenditure.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight line method at the following rates:

| | |
|--------------------------------------|-----------|
| Freehold properties (excluding land) | 2% |
| Furniture, fittings and equipment | 10% - 20% |
| Motor vehicles | 20% |

Impairment reviews are conducted where there is some indication that impairment has occurred. Impairment losses are recognised to the extent that the carrying amount of an asset is considered to exceed its recoverable amount.

Due to the difficulty in identifying the large number of individual items of furniture, fittings and equipment, items of this nature are treated as disposed of in the financial statements once fully depreciated.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated so as to allocate the cost of intangibles less their estimated residual values over their estimated useful lives, using the straight line method at the following rates:

| | |
|----------------------------|-----|
| Software development costs | 20% |
|----------------------------|-----|

Investments

Listed investments are valued at fair value, being their mid-market value at the balance sheet date.

Investments in subsidiary undertakings are valued at cost in the company's own balance sheet, and removed from the financial statements on consolidation.

Debtors and creditors

Debtors and short term creditors are measured at the transaction price.

Cash balances and financial instruments

Cash balances and basic financial instruments are initially accounted for at their transaction price except for financing transactions, including bank loans, which are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the accounting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a discount rate. The unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months. The provision is measured at the salary cost payable for the period of absence.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Restricted funds

These are earmarked by the donor or grantor, or the terms of an appeal, for specific purposes within the overall aims of the charity. The donation or grant and income deriving therefrom must be used in accordance with the specific purposes. Restricted funds may be of a capital or a revenue nature. In the latter case the restriction is discharged once the donation or grant is expended as required.

Income

Income from donations and legacies includes grant income, and is recognised on a receivable basis in the appropriate fund.

Incoming resources from charitable activities are recognised on a receivable basis, and consist principally of charges for the provision of residential and nursing care and related services. Incoming resources are allocated to charitable activities on the basis of actual amounts received. Contract income received in advance of the period to which it relates is deferred.

Historically, capital grants were received in the form of land and buildings to be used for the provision of accommodation for residents with learning disabilities or mental health needs. These properties cannot be sold without repayment of the related capital value. These grants are therefore accounted for as Restricted Capital Funds. The relevant assets are depreciated in accordance with the depreciation policy and the value of the Restricted Capital Fund is reduced accordingly.

Expenditure

All resources expended are included in the Statement of Financial Activities during the period in which they are incurred, on an accruals basis and inclusive of any VAT which cannot be recovered since the Trust is not registered for VAT.

Support costs and governance costs are allocated to charitable activities with the exception of a small proportion of support costs that have been allocated to costs of generating voluntary income, together with specific costs incurred.

Pension costs

Contributions payable to defined contribution pension schemes are charged to the income and expenditure account in the period to which they relate.

Contributions payable to the National Health Service pension scheme are charged to the income and expenditure account in the period that they arise. The scheme is a multi-employer scheme in which it is not possible for the Trust to identify its share of the underlying assets and liabilities, and the Trust is therefore exempted from some of the disclosure requirements of FRS 102.

Charitable commitments

Charitable commitments relate to the provision of continuing care for existing service users. All future charitable commitments will be met from future funding, via contract income from Social Services and Health Service commissioners, and residents' contributions. Future expenditure in respect of charitable commitments is therefore not recognised in the financial statements.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Termination benefits

Liabilities for termination benefits are recognised when the Trust is committed to terminating an employee's employment before normal retirement date. The liability is calculated as the best estimate of the cost at the reporting date.

3. INCOME FROM DONATIONS AND LEGACIES

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| Restricted capital grant | 249,747 | - |
| Restricted income donations | | |
| Restricted Covid related grants | 806,667 | 901,963 |
| Coronavirus Job Retention Scheme | 4,671 | 571,219 |
| Donations from Quartet | 21,627 | 43,911 |
| Health Education England grant | 38,550 | 29,639 |
| Other restricted grants and donations | 37,537 | 33,376 |
| | <u>909,052</u> | <u>1,580,108</u> |
| Unrestricted donations | | |
| Unrestricted Covid related grants | - | 600,086 |
| Other unrestricted grants and donations | 38,513 | 34,629 |
| | <u>38,513</u> | <u>634,715</u> |
| | <u>1,197,312</u> | <u>2,214,823</u> |

All restricted donations have been received for a specific purpose. The £249,747 restricted capital grant and £59,556 of the other restricted grants had not been spent at 31 March 2022. These amounts are therefore carried forward as part of restricted funds (note 24). All other donations and grants were spent during the year and the restrictions have therefore been discharged. Equivalent transfers have therefore been made to the unrestricted income fund.

4. INCOME FROM INVESTMENTS

| | 2022 £ | 2021 £ |
|--|---------------|---------------|
| Interest receivable | 3,282 | 6,028 |
| Income from stock exchange investments | 39,883 | 37,581 |
| | <u>43,165</u> | <u>43,609</u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | 2022 | 2021 |
|--|-------------------|-------------------|
| | £ | £ |
| Health authority grant | 462,618 | 618,945 |
| Contract income | 27,122,813 | 25,474,793 |
| Service user contributions | 1,302,032 | 1,437,742 |
| PCT funding re increased pension contributions (note 27) | 49,037 | 53,869 |
| Other operational income | 18,191 | 13,973 |
| | <u>28,954,691</u> | <u>27,599,322</u> |

6. EXPENDITURE ON CHARITABLE ACTIVITIES

| | 2022 | 2021 |
|---------------------------------------|--------------------------|--------------------------|
| | £ | £ |
| Staff costs | | |
| Employee costs | 17,314,749 | 18,669,555 |
| Agency staff costs | 5,438,170 | 2,960,528 |
| | <u>22,752,919</u> | <u>21,630,083</u> |
| Non-Pay costs | | |
| Food and household | 569,241 | 638,724 |
| Residents' amenities | 141,886 | 162,240 |
| Travel costs | 226,509 | 173,659 |
| Telephone | 99,575 | 111,303 |
| Stationery and office expenses | 68,990 | 83,213 |
| Hygiene and medical | 294,749 | 421,369 |
| Bad debts | (2,049) | (19,425) |
| | <u>1,398,901</u> | <u>1,571,083</u> |
| Property costs | | |
| Utilities | 482,090 | 486,160 |
| Registration fees | 45,345 | 48,124 |
| Loan interest | 363 | 1,676 |
| Rent | 367,337 | 364,309 |
| Fixtures, repairs and maintenance | 1,627,942 | 1,349,506 |
| Property management charges | 42,000 | 42,817 |
| Depreciation | 363,963 | 372,275 |
| Council tax | 88,315 | 90,412 |
| | <u>3,017,355</u> | <u>2,755,279</u> |
| Support costs reallocated (note 7) | 3,550,541 | 3,129,769 |
| Governance costs reallocated (note 8) | 35,557 | 32,725 |
| TOTAL EXPENDITURE | <u><u>30,755,273</u></u> | <u><u>29,118,939</u></u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

7. SUPPORT COSTS

| | 2022 | 2021 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Head office property costs | 214,431 | 153,782 |
| Head office staff costs | 1,978,482 | 1,784,964 |
| Head office agency costs | 14,126 | 4,350 |
| Staff training and development | 119,662 | 85,512 |
| Staff recruitment | 126,970 | 47,320 |
| Staff and payroll support costs | 318,655 | 349,175 |
| Information technology | 283,619 | 217,707 |
| Insurance | 147,969 | 133,914 |
| Office consumables | 85,763 | 91,946 |
| Legal and professional fees | 50,806 | 67,402 |
| Bank charges | 12,250 | 12,246 |
| Marketing | 51,156 | 61,761 |
| Head office depreciation | 124,000 | 83,631 |
| Other head office expenses | 40,494 | 51,786 |
| | <u>3,568,383</u> | <u>3,145,496</u> |
| Less 0.5% recharge to expenditure on raising funds (note 9) | (17,842) | (15,727) |
| | <u><u>3,550,541</u></u> | <u><u>3,129,769</u></u> |

8. GOVERNANCE COSTS

| | 2022 | 2021 |
|--|---------------|---------------|
| | £ | £ |
| Reimbursement of Trustees' expenses | 905 | 118 |
| Trustees' meeting, training and recruitment costs | 2,957 | - |
| External auditors' fees | 21,840 | 21,420 |
| Recharge 5% salary costs for Chief Executive and Director of Finance | 9,855 | 11,187 |
| | <u>35,557</u> | <u>32,725</u> |

No remuneration has been paid to any trustee or any person connected with a trustee.

Expenses were paid to three (2021 one) trustees in respect of mileage and other expenses incurred.

Trustee indemnity insurance is in place, but the individual premium cost cannot be separated out from other combined policy premiums.

9. EXPENDITURE ON RAISING FUNDS

| | 2022 | 2021 |
|---|---------------|---------------|
| | £ | £ |
| Fundraising staff costs | 11,388 | 13,889 |
| Recharge 0.5% of support costs (note 7) | 17,842 | 15,727 |
| | <u>29,230</u> | <u>29,616</u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

10. STAFF COSTS

| | 2022 £ | 2021 £ |
|--|-------------------|-------------------|
| Wages and salaries | 17,661,286 | 18,734,763 |
| Social security costs | 1,227,712 | 1,348,752 |
| Other pension costs | 414,487 | 425,386 |
| | <u>19,303,485</u> | <u>20,508,901</u> |
| Apprenticeship levy | 83,555 | 76,862 |
| | <u>19,387,040</u> | <u>20,585,763</u> |
| Remuneration costs of key management personnel | 399,876 | 430,648 |
| Redundancy and termination payments | 108,125 | 248,575 |

Key management personnel are considered to consist of the Chief Executive, Director of Finance, Director of Operations, Director of Human Resources and the Director of Estates, Facilities and Information Technology.

Agency staff are engaged when necessary to cover staff shortages or absences. Agency expenditure during the year ended 31 March 2022 amounted to £5,452,296 (2021 £2,964,877).

11. EMPLOYEES

The average number of employees during the year was as follows:

| | Average number | | Whole time equivalents | |
|-------------------------------|----------------|--------------|------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Management and administration | 59 | 67 | 59 | 59 |
| Care staff | 901 | 999 | 706 | 795 |
| | <u>960</u> | <u>1,066</u> | <u>765</u> | <u>854</u> |

Employees whose emoluments fell within the following ranges were as follows:

| | 2022 | 2021 |
|---------------------|------|------|
| £60,000 to £70,000 | 2 | 2 |
| £70,000 to £80,000 | 1 | 1 |
| £80,000 to £90,000 | 0 | 0 |
| £90,000 to £100,000 | 1 | 1 |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

12. NET INCOME FOR THE YEAR

| | 2022 | 2021 |
|---|-------------|-------------|
| This is stated after crediting: | £ | £ |
| Profit on disposal of tangible fixed assets | 77,132 | 362,789 |
| and after charging: | | |
| Operating leases - property rental | 427,224 | 412,608 |
| - motor vehicles | 40,755 | 39,945 |
| Auditor's remuneration – audit fees | 18,200 | 18,200 |

13. TANGIBLE FIXED ASSETS

| | Freehold properties £ | Fixtures & equipment £ | Motor vehicles £ | Total £ |
|-----------------------|--------------------------------------|---|---------------------------------|--------------------|
| COST | | | | |
| At 1 April 2021 | 21,011,215 | 339,275 | 361,952 | 21,712,442 |
| Additions | 150,994 | 4,459 | 0 | 155,453 |
| Disposals | (219,779) | - | (4,399) | (224,178) |
| At 31 March 2022 | <u>20,942,430</u> | <u>343,734</u> | <u>357,553</u> | <u>21,643,717</u> |
| DEPRECIATION | | | | |
| At 1 April 2021 | 6,953,125 | 243,984 | 340,334 | 7,537,443 |
| Charge for the year | 375,556 | 46,497 | 11,418 | 433,471 |
| Disposals | (68,456) | - | (4,399) | (72,855) |
| At 31 March 2022 | <u>7,260,225</u> | <u>290,481</u> | <u>347,353</u> | <u>7,898,059</u> |
| NET BOOK VALUE | | | | |
| At 31 March 2021 | <u>14,058,090</u> | <u>95,291</u> | <u>21,618</u> | <u>14,174,999</u> |
| At 31 March 2022 | <u>13,682,205</u> | <u>53,253</u> | <u>10,200</u> | <u>13,745,658</u> |

The net book value of freehold properties includes £2,165,237 (2021 £2,205,237) in respect of non-depreciable land.

The net book value of fixtures and equipment includes £19,946 (2021 £30,832) in respect of assets held under finance leases.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

14. INTANGIBLE FIXED ASSETS

| | Software costs £ |
|---------------------|------------------------|
| COST | |
| At 1 April 2021 | 500,355 |
| Additions | 115,887 |
| Disposals | (167,950) |
| At 31 March 2022 | <u>448,292</u> |
| DEPRECIATION | |
| At 1 April 2021 | 219,635 |
| Charge for the year | 89,658 |
| Disposals | (167,950) |
| At 31 March 2022 | <u>141,343</u> |
| NET BOOK VALUE | |
| At 31 March 2021 | <u>280,720</u> |
| At 31 March 2022 | <u>306,949</u> |

Additions to intangible fixed assets include £72,686 (2021 £102,233) in respect of capitalised salary costs.

15. INVESTMENTS

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Listed Investments | | |
| Valuation at 1 April 2021 | 1,419,806 | 1,165,771 |
| Additions to investment funds | 500,000 | - |
| Realised (losses)/profits on disposal | (5,690) | (8,165) |
| Unrealised profits/(losses) on revaluation | 77,807 | 262,200 |
| Valuation at 31 March 2022 | <u>1,991,923</u> | <u>1,419,806</u> |

Listed investments represent amounts invested in the Barclays Managed Charities Fund. This is managed by Barclays' Fund Managers. The investment is held to provide an investment return to the charity.

MILESTONES TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022****16. DEBTORS**

| | 2022 | 2021 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Operational debtors | 1,595,000 | 1,466,892 |
| Other debtors | 3,247 | 62,085 |
| Prepayments and accrued income | 263,918 | 243,456 |
| | <u>1,862,165</u> | <u>1,772,433</u> |

17. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Finance lease creditor | 10,886 | 10,886 |
| Trade creditors | 1,122,069 | 870,843 |
| Tax and social security | 260,803 | 84,469 |
| Other creditors | 158,563 | 140,479 |
| Accruals and deferred income | 896,408 | 801,978 |
| | <u>2,448,729</u> | <u>1,908,655</u> |

18. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2022 | 2021 |
|------------------------|-------------|-------------|
| | £ | £ |
| Finance lease creditor | 9,072 | 19,958 |

19. MATURITY OF LONG TERM CREDITORS**Finance leases**

| | 2022 | 2021 |
|--|-----------------|-----------------|
| | £ | £ |
| Amounts falling due: | | |
| Within one year (note 17) | 10,886 | 10,886 |
| Within 1 to 2 years | 9,072 | 19,958 |
| | <u>19,958</u> | <u>30,844</u> |
| Less: amounts falling due within one year (note 17) | <u>(10,886)</u> | <u>(10,886)</u> |
| | <u>9,072</u> | <u>19,958</u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

20. PROVISIONS FOR LIABILITIES AND CHARGES

| | Pension deficit £ |
|------------------------------|----------------------------------|
| At 1 April 2021 | 62,988 |
| Paid during the year | (15,940) |
| Re-measurement of provision | (31,090) |
| Unwinding of discount factor | 363 |
| | ----- |
| At 31 March 2022 | <u>16,321</u> |

The pension deficit provision relates to the obligation to pay additional contributions to the Trustees of the TPT Retirement Solutions Growth Plan pension scheme in order to fund the deficit in value of that scheme (note 27). 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 2.35% (0.66% at 31 March 2021). The unwinding of the discount rate is recognised as a finance cost.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Revaluation reserve | Unrestricted funds invested in fixed assets | Balance of unrestricted funds | Restricted capital fund | Restricted income fund | Total funds |
|--|---------------------|---|-------------------------------|-------------------------|------------------------|--------------------|
| | £ | £ | £ | £ | £ | £ |
| FIXED ASSETS | | | | | | |
| Tangible assets | - | 11,564,877 | 19,958 | 2,160,823 | - | 13,745,658 |
| Intangible assets | - | 306,949 | - | - | - | 306,949 |
| Investments | 83,459 | - | 1,908,464 | - | - | 1,991,923 |
| Total fixed assets | 83,459 | 11,871,826 | 1,928,422 | 2,160,823 | - | 16,044,530 |
| CURRENT ASSETS | | | | | | |
| Debtors | - | - | 1,862,165 | - | - | 1,862,165 |
| Cash at bank and in hand | - | - | 5,451,438 | 249,747 | 59,556 | 5,760,741 |
| Total current assets | - | - | 7,313,603 | 249,747 | 59,556 | 7,622,906 |
| CREDITORS: Amounts falling due within one year | - | - | (2,448,729) | - | - | (2,448,729) |
| Net current assets | - | - | 4,864,874 | 249,747 | 59,556 | 5,174,177 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 83,459 | 11,871,826 | 6,793,296 | 2,410,570 | 59,556 | 21,218,707 |
| CREDITORS: Amounts falling due in over one year | - | - | (9,072) | - | - | (9,072) |
| PROVISIONS for liabilities and charges | - | - | (16,321) | - | - | (16,321) |
| NET ASSETS AT 31 MARCH 2022 | 83,459 | 11,871,826 | 6,767,903 | 2,410,570 | 59,556 | 21,193,314 |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

22. MOVEMENT OF FUNDS

| | Revaluation reserve | Unrestricted funds invested in fixed assets | Balance of unrestricted funds | Restricted capital fund | Restricted income fund | Total funds |
|--|------------------------|---|-------------------------------------|----------------------------|---------------------------|-------------------|
| | £ | £ | £ | £ | £ | £ |
| AT 1 APRIL 2021 | 5,651 | 12,380,482 | 7,113,039 | 2,044,392 | 64,878 | 21,608,442 |
| Surplus for the year ended 31 March 2022 | 77,808 | (256,479) | (1,395,257) | 249,747 | 909,053 | (415,128) |
| Transfers between funds | - | (252,177) | 1,050,121 | 116,431 | (914,375) | - |
| AT 31 MARCH 2022 | <u>83,459</u> | <u>11,871,826</u> | <u>6,767,903</u> | <u>2,410,570</u> | <u>59,556</u> | <u>21,193,314</u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

23. UNRESTRICTED INCOME FUNDS

The unrestricted income funds consist of:

Funds invested in tangible and intangible fixed assets – being the value of tangible and intangible fixed assets (notes 13 and 14) less the value of loans secured thereon (note 19), less restricted funds invested in fixed assets (note 24).

Investment revaluation reserve – being cumulative unrealised gains less unrealised losses arising on the investment portfolio (note 15).

Funds available for use – being the balance of unrestricted funds.

24. RESTRICTED FUNDS

Restricted funds represent capital or income donations or grants received by the Trust for specific purposes. In the case of restricted income donations or grants the restriction is discharged once the donations or grants are expended as required.

Restricted capital fund

It was a condition of capital grants received in the past that properties purchased continue to be used for specified charitable purposes and grants received were secured by legal charges in favour of the Secretary of State for Health (SSoH). If the properties cease to be used for these purposes or are sold without authorised reinvestment, then a proportion equivalent to the level of the legal charge (49.8% to 100%) of the market value of the property is repayable to the SSoH. The restriction in respect of these grants was therefore not discharged when the properties were purchased. These grants continue to be reflected in the balance on restricted funds, but are stated net of amounts released annually to the unrestricted income fund to offset related depreciation charges. There were ten such properties at 31 March 2022.

During the year one property became vacant and no further charitable purpose could be identified. The property was therefore sold, and the appropriate percentage of the sales proceeds repaid to the SSoH. An appropriate transfer has been made from the restricted capital fund to unrestricted funds. The Trust has also carried out an exercise to ensure that the capital fund correctly records the appropriate proportion of properties charged in this way, resulting in an adjusting transfer from unrestricted funds invested in fixed assets to the restricted capital fund. The net amount of the transfers from unrestricted funds to the restricted capital fund was £116,431.

Restricted income fund

During the year ended 31 March 2022, there were restricted income donations and grants amounting to £909,053 (2021 £1,580,108). This includes £806,667 in respect of government funded Covid related grants to fund additional infection control measures, the introduction of regular lateral flow testing for visitors and employees and improvements in workforce capacity. See note 3 for further details of donations and grants received. The restrictions have been discharged in respect of restricted donations and grants amounting to £914,375, including some donations and grants received in prior years, and an equivalent transfer has therefore been made to the unrestricted income fund.

25. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2022 (2021 nil).

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

26. OPERATING LEASE COMMITMENTS

At 31 March 2022 there were the following total commitments under non-cancellable operating leases:

| | Land and Buildings 2022 £ | Motor Vehicles 2022 £ | Land and Buildings 2021 £ | Motor Vehicles 2021 £ |
|----------------------------------|--|--|--|--|
| Expiring within one year | 312,545 | - | 311,095 | 4,977 |
| Expiring in two to five years | 22,325 | - | 11,450 | - |
| Expiring in more than five years | - | - | - | - |
| | <u>334,870</u> | <u>-</u> | <u>322,545</u> | <u>4,977</u> |

27. PENSION COSTS

The Trust participates in one defined contribution scheme and one defined benefit schemes. The assets of both pension schemes are held separately from those of the Trust in independently administered funds.

TPT Retirement Solutions – The Growth Plan Series 4

Contributions payable by the Trust to this defined contribution scheme, in respect of 919 employees (2021 957), amounted to £320,089 (2021 £323,241). Contributions totalling £71,133 (2021 £73,435) were payable to this fund at 31 March 2022 and are included in creditors (note 17).

NHS Pension Scheme

Some employees of the Trust are eligible for membership of the NHS Pension Scheme. This is a multi-employer defined benefits scheme for the National Health Service and other approved organisations.

Contributions payable by the Trust to the NHS Pension Fund during the year, in respect of 29 employees (2021 38), amounted to £94,528 (2021 £102,145). Employers' and employees' contributions totalling £11,130 (2021 £nil) were payable to this fund at the balance sheet date and are included within other creditors (note 17).

Due to the nature of the scheme, the Trust is unable to identify its share of the underlying assets and liabilities and, in accordance with FRS 102, the Trust is therefore exempted from providing details of these. The cost of pensions are met by a level percentage contribution called the Normal Contribution rate, calculated by the Government Actuary on the basis of quinquennial valuations using the prospective benefits valuation method.

The most recent valuation, published in February 2019, was for the four years from 2012 to 2016. This is a public document available from HM Stationery Office and for a more complete understanding it should be reviewed in its entirety.

The most recent actuarial valuation showed that the value placed on notional investments at 31 March 2016 amounted to £278.1 billion and that the present value of benefits accrued to members amounted to £297.5 billion, net of the present value of future contributions by current members. There was therefore a deficiency at 31 March 2016 amounting to £19.4 billion.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Most existing NHS pension scheme members were transferred to a new scheme (“the 2015 scheme”) on 2015. The previous actuarial valuation was required to take account of the impact of the introduction of this scheme. It concluded that the employer contribution rate for the period from 1 April 2015 to 31 March 2020 should be increased to 14.3% of pensionable pay.

The latest actuarial valuation concluded that the employer contribution rate should be increased to 20.6% of pensionable pay for the period from 1 April 2020 to 31 March 2023 to meet the cost of scheme benefits. The

Department of Health and Social Care (DHSC) confirmed this increase, but the Government has committed to providing additional funding to meet this additional cost to employers. It has subsequently been confirmed that for 2021/22 the amount to be collected from employers will continue at 14.3% (plus 0.08% administration charge) and that central payments will be made by NHS England and by DHSC to cover the remaining cost.

Commitments have also been given that the additional funding will recur annually until March 2023.

TPT Retirement Solutions – The Growth Plan Series 3

Prior to 1 October 2012 employees were eligible for participation in Series 3 of The Pensions Trust’s Growth Plan (the Plan). On 1 October 2013 the Plan was closed, and all employees within the Plan were transferred to Series 4, a defined contribution scheme (see above). Although the Plan is now closed, details are included here as the Trust has a number of actual and potential future liabilities relating to it.

The Plan is a multi-employer pension plan that provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Trust to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme and therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the 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 scheme is classified as a “last-man standing arrangement”. Therefore the 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.

A full actuarial valuation of the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3 million, liabilities of £831.9 million and a deficit of £31.6 million. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

*Deficit contributions from 1 April 2022 to 31 January 2025
£3,312,000 per annum, payable monthly*

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9 million, liabilities of £926.4 million and a deficit of £131.5 million. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

*Deficit contributions from 1 April 2019 to 30 September 2025
£11,243,000 per annum, payable monthly and increasing by 3% each year on 1 April*

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities. The Trust recognises a liability for this obligation, being the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The net present value of the Trust's provision is £16,321 (2021 £62,988). See note 21 for details of the calculation of this provision.

28. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year or the prior year.

29. LIMITED LIABILITY STATUS

The Trust is a company limited by guarantee with no share capital.

MILESTONES TRUST

England & Wales - Charity number 294377

Accounts

ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021

MILESTONES TRUST

Unit 10, Eclipse Office Park, High Street, Staple Hill, Bristol BS16 5EL

Telephone: (0117) 970 9300 Fax: (0117) 970 9301

Company number 02011021 Charity number 294377

www.milestonestrust.org.uk

MILESTONES TRUST

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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MILESTONES TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Registered office and principal address:

Unit 10, Eclipse Office Park
High Street, Staple Hill
Bristol BS16 5EL

Trustees and directors:

D Nordberg (Chair)
R H Nash
P M Collins
J H Self
S Cummings (appointed 14 September 2020)
S J Jones (appointed 16 November 2020)
N L McKen (appointed 14 December 2020)
T S Jenkinson (appointed 29 March 2021)

D D Wilson
J E Buswell
K Pattison

K Heath (resigned 30 October 2020)
M A Shovelton (retired 31 December 2020)
V Fuller (resigned 26 March 2021)
K D Guy (retired 30 June 2021)

Secretary:

H A Pearce

Key Management Personnel:

H Crowhurst
J Hoskinson OBE
H A Pearce
J Parry
G Meehan
N Mandleker

Chief Executive (appointed 1 April 2020)
Chief Executive (retired 30 June 2020)
Director of Finance
Director of Operations
Director of Human Resources
Director of Business Development
(resigned 30 April 2021)

Auditor:

Mazars LLP
90 Victoria Street
Bristol BS1 6DP

Solicitors:

Royds Withy King
5-6 Northumberland Buildings
Queens Square
Bath BA1 2JE

Lyons Davidson
43 Queens Square
Bristol BS1 4QP

Bankers:

National Westminster Bank
Floor 2, Trinity Quay 2
Avon Street
Bristol BS2 0PT

Investment advisors:

Barclays Wealth Management
1 Churchill Place
Canary Wharf
London E14 5HP

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

Reference and administrative details

This Annual Report forms the Trustees' report for the purposes of Section 162 of the Charities Act 2011 and the Directors' report for the purposes of Chapter 5 of Part 15 of the Companies Act 2006. It also includes the Strategic Report required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006 and the Accounting and Reporting by Charities: Statement of Recommended Practice in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The Trust is a company limited by guarantee (number 02011021) and registered charity (number 294377). The details of Trustees, senior staff and professional advisors engaged by the Trust are set out on page 1.

Structure, Governance and Management

Like every organisation in the sector and every sector in the economy, Milestones Trust has seen its structure, governance and management tested through the Covid-19 crisis. We have undergone significant changes, including the appointment of a new CEO just as the crisis began, and made a constant stream of adjustments as the crisis progressed. The board itself has seen a big shift in its composition, with four retirements and three new appointments during the year under review, and another retirement and appointment since the new financial year began. We have been very fortunate to have found trustees with a wide range of knowledge and experience, in the sector and from outside it. This section of the report outlines the formal, structural elements of governance and then focuses on how the Trust as adapted to the challenges that Covid has forced on us.

Milestones Trust is governed by the terms of its Principal Trust Deed and its Articles of Association. The Trust was incorporated on 16 April 1986. The Articles were revised and updated on 9th July 2018.

As set out in the Articles of Association, the Board of Trustees (who are directors for the purpose of company law) consist of no less than five members and no more than fifteen. All Trustees are appointed by resolution.

The term of office for a Trustee shall be three years, at the end of which they shall retire. A Trustee shall be eligible for reappointment by the Trustees for up-to a further two terms, each of three years. No Trustee shall service for more than 9 consecutive years, unless the Trustees consider it would be in the best interest of the Trust for a particular Trustee to continue to serve beyond that point and that Trustee is reappointed in accordance with the Articles.

Following the changes in its composition, the Board now numbers 11. The Articles of Association recommend a maximum tenure of Trustees as nine years, we note that one of our Trustees is beyond that limit. We explain the decision to retain them in the following way.

During the year under review the Trust dealt with the volatility presented by the Covid-19 pandemic and as such felt the need to preserve knowledge and experience at Board level to support the executive management team, particularly as we saw high planned turnover in trustees. Our longstanding Trustee continues to contribute valuable knowledge and historical perspective to aid the strategic decision making of the Trust and the implementation of those decisions.

The Trust has been successful in actively recruiting new trustees with diverse professional skills and social backgrounds who share the current Board's commitment to the objectives of the Trust, and this recruitment continues.

Trustees are sought in a variety of ways to ensure that collectively they have the range of skills and experience required to govern a health and social care charity with a turnover in the region of £30 million. This means Trustees come from all walks of life, some with experience of health and social care, and some with experience of business or law or property management. Regular skills audits are conducted to guide the recruitment of new Trustees. In recent years the Trust has specifically used recruitment agencies specialising in business/executive

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

recruitment in order to augment the skills and experience of the trustees, as well as advertising locally and nationally.

All Trustees undertake an induction, including an awareness of their governance responsibilities. Trustees are also offered the opportunity to attend other relevant training courses. For several years, trustees have met at least six times a year as a Board, as well as participating on three committees: Care & People, Business Development, and Finance & Resources, which have met at least quarterly, reporting to the Board. The primary roles of these committees are scrutiny and development of the future direction of the Trust, and their work and advice inform Board decisions. We are currently reviewing our Board and committee arrangements, the central aim of which is to link more closely trustees' consideration of business development and operations, as well as to replace ad hoc groups concerning remuneration and nominations with an established committee that will also review overarching policies on risk and service quality.

The day-to-day running of the Trust is delegated to the Chief Executive, who exercises executive responsibility within a scheme of delegation to the Executive Management Team (EMT). The EMT is held accountable for the successful implementation of business plans, maintenance of standards, and financial management of the Trust. Hilary Crowhurst joined the Trust as CEO on 1st April 2020, bringing with her many years' experience in the sector at Director Level. The Trust has been fortunate to be able to draw on her experience, and that of her EMT colleagues, to meet the on-going challenges of operating in the social care sector during the Covid-19 pandemic.

The Trust plays an active role in the local health and social care communities of Bristol, South Gloucestershire and North Somerset. The Trust's staff and people we support are encouraged to participate in opportunities to comment on and shape service developments. The Trust is a member of The Care Forum, an umbrella body enabling voluntary organisations, and through them local communities, to participate fully and equally in the planning and improvement of services. Trust staff serve on a range of groups, from local authority providers' forums to specific service improvement groups.

Our membership of VODG (Voluntary Organisation for Disability Groups) and Care & Support West, a regional organisation of service providers, assist the Trust to lobby on national and local policy issues which affect it strategically and operationally. Both organisations have provided excellent support to providers during the pandemic.

The Trust's key partnerships are with the local authorities and the Clinical Commissioning Groups (CCGs) of Bristol, North Somerset and South Gloucestershire (BNSSG) and Bath & North East Somerset, Gloucestershire and Wiltshire. These authorities commission a significant proportion of the Trust's services. The close partnership working we have enjoyed with these commissioners has been more important than ever during the pandemic, and these key relationships are closer as a result.

Objectives and Activities

The Trust's objective, set out in the articles of association, is 'to promote and protect the health and wellbeing of people with autism, cognitive impairment, dementia or other mental or related health needs by providing nursing, social care, accommodation, education, training and support'.

Strategic Plan 2018 -21

The Trust continued to work with the Strategic Plan 'Towards A Future Together' which was approved by the Board in February 2018, and which reviewed its vision, mission statement and values as well as the Trust's overall priorities. Work had begun in 2020 on developing an updated strategic plan and while this work continued in 2021 the clear focus for Milestones Trust, and indeed most of the social care sector, for the year is on the dual challenges of recovering from the Covid-19 pandemic and on improving our underlying financial performance.

Alongside this focus on Covid recovery, the following core elements of the Trust's strategy remain unchanged:

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Vision & Mission Statement

Milestones Trust's vision is that people have opportunities to live happy and fulfilled lives.

The mission statement is: 'to achieve our vision by promoting health, wellbeing, independence and engagement for people living with learning disabilities, mental health needs and dementia'.

Values

We start with the person. You can't build a support service around a label. But you can build a support service with a person if you understand their particular care needs, wants, and ambitions. And while that's our starting point, everyone changes. So, we're never comfortable and never complacent. Instead, we adapt how we do things to reflect the person's changing circumstances and desires as they go through life.

We bring people close. What we do is impossible without building good relationships between people and their families, carers, teams, and important others. That takes time and patience, but it also takes understanding and respect – the building blocks of trust. Understanding leads to trust, which leads to the right support to bring about positive change. Change that can make a person's life easier, better, simpler, more comfortable, more enjoyable or more independent.

We take our creativity to work with us. Given what we do, limited resources have always been a challenge. But creativity hasn't. It's amazing how even a little lateral thinking and ingenuity can dramatically improve the lives of those we work with. Put another way, the more creative we are, the richer and more meaningful life becomes – for all of us. So we encourage everyone to think outside the box, whatever their role, whatever the issue.

We are courageous in our approach. Where others see obstacles, we see opportunities. For us there is no blueprint, no magic formula, no one-size-fits-all. Just a willingness to embrace the challenge head-on, try new things, and work for change. It's not about ripping up the rule book. It's rewriting it to make our services fit the person. That means drawing on our expertise, courage, and resolve to encourage and support anyone who requires our specialist help.

Priority Pillars

The 'Towards A Future Together' strategy grouped the Trust's operational objectives into four priority pillars:

- **Getting it right – starting with the person** - We will continue to put our service users first.
- **Quality in what we do** - We will be recognised for the high quality of our services.
- **Focussing on the people who work for us** - We will continue to develop and value our staff.
- **Fit for the Future** - We will ensure that our services are flexible and adaptable to changing needs.

In normal times progress against the strategic objectives is reported to the Board regularly, and some are monitored against a set of Key Performance Indicators, which are reviewed by the Board of Trustees quarterly. The 2020-21 year was far from normal and leading the Trust through the Covid-19 pandemic became the over-arching organisational priority.

Flexibility is key in the current social care climate and the Trust's strategy is kept under constant review, particularly via away days where issues are explored in more detail and changes to the objectives may be made. In 2020-21 away days with the Board were held remotely via zoom, and also in person when restrictions allowed. This was incredibly helpful as the Trust continued to debate the social care landscape, Covid recovery, financial performance and growth.

Strategic Intent

- **Work in partnership with the people we support** to develop our services and our external voice.

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- **Focus on excellent person-centred support**, enabling people with learning disabilities/ enduring mental health conditions to live as active members of their local communities (we will always strive to provide the least restrictive option)
- **Be financially sustainable**. Achieve a position where we can use surplus reserves to support our strategy through targeted investment.
- **Be an organisation that people want to work for** – we will have embedded a culture of ownership, responsibility and accountability across every level of the organisation.
- **Harness the power of digital working** to deliver efficiency & more enjoyable ways of working.
- **Develop a strong and consistent brand** - developing thought leadership in the work we do

Currently the core of Milestones Trust activity is the provision of nursing and residential care in 34 homes serving approximately 300 people. The homes range from small domestic properties accommodating 4 or 5 people, to a large dementia care home registered for 45 people. Of these 34 homes, the Trust owns 28 homes and the remainder are leased from housing associations or local councils. In the past decade the Trust has widened the range of services it offers in response to the changing needs and choices of its beneficiaries.

In addition, the Trust operates numerous Supported Living services, which provide support to people with a learning disability or who have mental health needs. We offer support with accommodation and provide care packages to people in their own homes. Around half of the supported living accommodation is owned by the Trust, the remainder is leased from housing associations or local councils. There is a strong demand for this type of support, and promoting independence has always been one of the Trust's aims. For the service users who are able to gain increased rights (and responsibilities) by becoming tenants, the move to greater independence is always seen as a positive step. Around 200 people are supported to live the life they choose.

The Trust also supports circa 50 people to access day opportunities in our Stepping Forward services which operate from two bases, one in Bristol and one in South Gloucestershire. Although numbers fluctuate, approximately a further 90 people access our respite services. The total number of people supported by the Trust therefore totals 640.

The clear direction of travel identified for the Trust in the Towards A Future Together strategy is to reduce residential provision, where the building is CQC registered, and increase supported living, where it is the personal care for individuals that is CQC registered. To achieve this, we will be de-registering residential services wherever possible. This shift responds to the aspirations of the people we support and meets commissioner preferences. It was communicated throughout the Trust, and beyond under the banner of 'One Trust One vision' and feedback was universally positive, recognising the obvious benefits for the people we support. Despite Covid, some positive steps have been made on this journey in 2020-21 with several services ready to de-register during this year.

To support the change process that de-registration requires, in late 2019 the Trust embarked on a significant project examining our existing culture and defining the changes needed to support our future direction. It is widely recognised that to continue to achieve high quality progressive service delivery everyone involved in the Trust must play their part. The culture project is referred to again later in this report, and while active work on this had to necessarily be halted during the pandemic, it was also heartening to see an abundance of resilience and innovation displayed by our workforce as they continued to provide high quality, person centred support in difficult circumstances. Attributes that are cornerstones of our culture project and that we will build on further.

Our overall strategic direction will always also focus on growth, so that we are able to support more people who need our services.

Milestones Trust takes pride in its provision of high-quality staff training. While training had to be delivered very differently during Covid, with a necessary focus on mandatory training, much of which was delivered by e-

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learning, the Trust remains committed to supporting staff to meet the requirements of their role, or progress their future career aspirations.

To support our staff with the change process required by 'One Trust One Vision', we developed a comprehensive competency framework, reflecting our values and the specific technical requirements of our roles. The Framework is underpinned by an extensive training programme that will ensure we select and manage our staff in line with clear expectations. We also revisited our person-centred approaches training to ensure it remains relevant and contemporary. The pandemic has meant changes in our workforce as well as changes to our operational culture. As we emerge from the pandemic, the expectations on our teams will again change and we will revisit and reinvigorate these two important areas of training.

We are also making sure as we move through 2021 that we adapt how we deliver training in the Trust so that we retain the benefits of what went really well with e-learning, and will be offering a hybrid programme of on line and face to face training in the future.

Public Benefit

We have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

The principal means by which the Trust provides opportunities for those who cannot afford the fees for our services is through the provision of support to people funded/part funded by local or health authorities.

We also further the mission and aims of the Trust through the provision of services over and above those funded by public contracts through donations from grant making Trusts and Foundations, corporate partners and grants awarded by local and national government departments. In normal times we organise community events that promote the inclusion of beneficiaries with their fellow citizens and encourage neighbours/neighbourhoods to attend 'fun' events that help break down prejudices/barriers to social inclusion. In previous years our arts activities, under 'Expressions', provided people we support with opportunities to explore their creativity and provide opportunities for the general public to appreciate the abilities of all those who use our services. This important activity, and the community outreach it affords, will resume with vigour as soon as the pandemic permits. Our 'Warmley Wheelers' initiative offers accessible bikes so people with varying abilities are able to enjoy cycling, and wherever possible within the changing guidelines for safe working, this service continued to operate in 2020-21. Music sessions under the banner of 'Community Express' encourage participation, and sponsorship, from the wider community. Whilst some of these activities had to be paused because of Covid-19, the pandemic has provided opportunities to find creative ways of continuing, for instance, the musicians involved in Community Express have supported us in moving the project online.

We work with other organisations to participate in local and national networks to promote/highlight the needs of our beneficiaries and, where possible, support beneficiaries to advocate/participate themselves.

In 2020-21 we have to recognise that perhaps our biggest contribution to public benefit was keeping the vulnerable people we support safe.

STRATEGIC REPORT

Achievements and Performance

The Trust publishes an Annual Review (available on our website (www.milestonetrust.org.uk) that illustrates the achievements of the people we support and staff and demonstrates how the Trust "lives" its values.

The Health and Social Care environment has always been a demanding one in which to operate, and for 2020-21 this was made considerably more challenging by the Covid-19 pandemic. In the earlier part of the financial year we unfortunately saw some deaths in our services of people we support from Covid, though thankfully –

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through the admirable work of our staff – our numbers were lower than much of the sector experienced. Significant barriers to filling empty beds in our services that the pandemic created meant that our financial losses due to lower occupancy were high, and such vacancies continue to be higher than normal. We are finding creative ways to do all we can to speed up the referral to placement process.

The pandemic also changed the job market across the country, and while we were able to benefit initially through improved recruitment, we have more recently seen high numbers leaving as many of those new to the sector return to their pre-pandemic careers. Hence, recruitment and retention in the Trust remains our top priority. Covid-related regulation forced us to employ individuals for only one service, an important burden on efficiency, Compulsory vaccinations for staff, imposed during the new financial year, present another serious challenge to staffing, which we are working hard to overcome.

That said, and despite Covid, the year under review has seen some very encouraging highlights, many of which hold the promise of even better outcomes in the future:

- We rose to the challenges of the pandemic, adapting how we were able to deliver care to ensure safety above all else, but also still maintaining a good quality of life for the people we support. In common with other social care providers, responding to Covid-19 forced many changes in the way we work. Communication with our teams, although virtual became more important and a number of new structures helped enable this to happen more effectively than in the past. A Covid-19 briefing was sent to every staff member (twice daily during the first wave, reducing to daily and now weekly) ensuring all were aware of the changing guidance as well as signposting additional resources and sources of support. A “Keeping in Touch” meeting has been held weekly over zoom since May 2020, bringing together managers from across all parts of the Trust. A successful feature has been breakout rooms of four or five randomly assigned managers to discuss and feedback on relevant topics. This has fostered relationships across disparate parts of the Trust and enabled new support networks to develop. Many processes which had previously taken place in-person were curtailed, and new ways to achieve the same objectives developed. Remote audits, assisted by mobile phone video technology, initially concentrated on Infection Control but were expanded as the pandemic went on to cover other areas. Cross-organisational working groups were set up to manage different elements of pandemic response from a variety of perspectives. Friends and family contact was improved through the use of Zoom, with greater participation enabled as distance and timing became less of an issue for some. As with many organisations, home-working became and continues to be the norm for office-based staff and training has moved, where possible, online. Initially experienced as challenges, both of these changes have in fact presented opportunities for more flexible and effective working.
- Some workstreams had to be paused due to the pandemic. Our Culture Project was one such, the planned launch being an early victim of the changes caused by Covid-19. Action plans which were developed are being reviewed, not least because the pandemic itself has meant the culture has changed, and will be relaunched in 2021/22 informed by the learning from the how the organisation dealt with the pandemic, which included improved communication as well as resilience and creativity. Its relaunch will seek to capitalise on the adoption of electronic communication and video conferencing.
- We opened a new specialist service in Downend which develops the skills of people with on-going mental health conditions to manage a tenancy independently, whilst also managing their mental health. The service has been popular with commissioners and people we support.
- We successfully tendered to support Bath and North East Somerset’s ambitious project to reshape their mental health provision by commencing development of a Whole System for specialist mental health care & support. Their long-term aim is to take a Whole System approach to the delivery of specialist care and support for adults aged 18-64 with mental ill health and who have eligible social care needs. This includes specialist independence at home care and support, supported living and residential care for people with complex mental ill health. This is a two-phase project: Phase 1a- means we can continue

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to spot contract with Banes and we commit to involvement in system design; Phase 1b – means we contribute to system design with these intended outputs. We were successful in our tender for Phase 1a.

- Dementia services (Humphry Repton House) – we have reviewed and modernised every aspect of this service in an extensive fundamental re-design, partly in response to the pandemic as the client group has proven exceptionally at risk to the pandemic. The 45-bed service now operates as 36 beds over three wings, with one wing available for isolation of residents in line with Covid admission and outbreak guidance. The management, staffing and culture of the service continues to, change in line with the vision for the service, which is: *To support people with advanced dementia and complex needs to live well by providing compassionate, person-centred care and promote a sense of well-being; and to provide a caring home where staff have the skills to help people to maintain personhood in a way that is tailored around individual need, activity and stimulation, and promotes joy each day.* All of the improvements have had the full support of our commissioners, as well as families, and the model will enable us to operate high quality, modern dementia care in a financially sustainable way.
- Involvement: The Board and Senior Team have spent a significant amount of time this year considering how better to involve the people we support. The pandemic has helped bring this into focus as an area in which we need to further develop, as communication with this group became increasingly attenuated. Like meetings everywhere, our user's forum, Voices4Choice, quickly moved online after the first lockdown. Despite concerns about access to technology to do this, these meetings were relatively well-attended, and two members of the Board were able to join meetings on an equal basis. Hearing feedback from these Board representatives has helped keep the rest of the Board connected to the people we are here to support. In addition, the Board invited a number of people to present their life stories at the start of meetings. These were presented via Zoom, which made the process easier and less intimidating than it might have been if held face to face. During the pandemic, we recruited a new Inclusion and Involvement Lead. This post, a successor position to the previous Service User Involvement Co-ordinator was informed by the debates and discussions held at board and in subcommittee meetings and has a focus on embedding rather than “doing” involvement. We appointed to this position in June 2021.
- Maintaining quality during the pandemic has been a key focus. A risk assessment to establish the risk of closed cultures was circulated and completed by service and Area managers, identifying specific risks and steps to mitigate against such a culture developing. Supervisions and team meetings continued, using video-conferencing technology to replace face to face meetings. The audit team developed Covid-secure audits and rearranged the audit schedule to incorporate six monthly Infection Prevention and Control (IPC) audits. Most services received a score of >90% in the audits. To encourage staff to come forwards with any concerns, the Whistleblowing Policy was reviewed and reissued early in the pandemic. In addition, CQC began their Emergency Support Framework calls in 2020, and all services received very positive feedback. In addition, a number of our services were selected as part of the national sample of IPC reviews conducted by CQC. These were announced onsite visits resulting in a summary report published on CQC's website, but not a change in rating for the service. The report findings were entirely positive, highlighting numerous areas of good practice and concluding that the services met all the criteria relating to infection prevention and control. This is very good outcome and is consistent with our audit findings.
- Data Protection and Information Governance. We successfully completed the Data Security Protection Toolkit (DSPT) in September 2020 and also June 2021, achieving ‘Standards Met’ for both submissions. We have also established an Information Governance Group, building cross departmental working and ensuring appropriate oversight of data protection issues and a clear line to the Executive

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and the Trustees. We increased resources in this area, with a full time Information Governance Manager (who is also the DPO) now in place leading on work across the Trust which includes reviewing and updating policies, raising awareness and training managers and staff, with the aim of embedding the importance of data security and data sharing into everyday practice. As part of our Technology Review we are also working towards achieving Cyber Essentials Plus, and we have also recently established the important role of Caldicott Guardian within the Trust.

- Volunteering has always been important at the Trust, and in this pandemic year more than ever they proved invaluable, carrying out practical tasks such as food shopping while also contributing to the mental wellbeing of the people we support and our staff.
- We continued to implement and roll out our new HRIS (Human Resources Information System), named TrustNet. Following the success of payroll and HR modules, and the self-service functions for electronic payslips, we followed up with recruitment and on-boarding, learning and development, and also work force management (rostering).
- We have continued to work well with unions, as they support staff with individual matters and wider consultations. The introduction of the Job Retention Scheme (furlough) was a considerable area of joint work with Unison (our Recognised Trade Union, given the significant restrictions placed on our use of the Scheme (because we receive public funds, and the very unique situations that some of our employees had to contend with).
- Recruitment into social care has been challenging for some years, and the advent of the pandemic added new challenges, which have been met through moves to virtual interviewing and 'tours' of our services. We were able to introduce these new approaches without compromising on the involvement of the people we support in the recruitment process. The way that social care roles are perceived within society during the pandemic has not assisted with recruitment, and together with the impact of Brexit has added new challenges, in what was already a difficult market.
- Fundraising was negatively impacted by Covid-19, and this affected the year's results. Many trusts and foundations concentrated their efforts on providing emergency support to small and medium charities who were vulnerable to closure whilst dealing with a massive upsurge in demand. Fundraising with corporates ceased with staff working from home or on furlough. Despite this, the Trust rallied and fundraising through grants from trusts and foundations, crowdfunding campaigns and other donations pulled in £50,000 for the year. This went on things like personal assistive technology for people in supported living, paying for musicians to run virtual Music Train live music sessions, running Warmley Wheelers cycling scheme and producing online Artflix tutorials for our Expressions Arts participants. We also gained various smaller grants for garden renovations across our services – as private outdoor spaces have proved critical to our mental and physical health in lockdown.
- We successfully negotiated new sustainable fee levels with our commissioners in some of our services. The most notable of which was a specialist LD complex needs service for younger adults in Yate, where some of the long-standing placement fees had become out of kilter with the true costs of operating the service.

Financial Review

The majority of the Trust's income consists of contract income from Local Authorities and local health commissioners. The amounts shown under 'donations and legacies' this year are much higher than usual, representing the specific government grant income passed through to us as a provider by our commissioners to help with the exceptional cost pressures of Covid-19 pandemic. The amounts shown as restricted funds were for

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specific uses relating to primarily to infection control and rapid testing.

2020/21 was an incredibly challenging year operationally, as this trustees' report has shown. The people we support had their liberty severely curtailed as lock-down necessitated many changes in how we operated our services, and our staff had to work very differently in difficult conditions. Almost perversely a by-product of the hugely different environment faced by the sector was that the overall financial performance of the Trust improved. It is a shame that there was such a significant human cost to this outcome. Although recruitment improved during parts of the year, often directly as a result of the impact of Covid on other sectors, staff retention remained an issue as tough working conditions and stress and anxiety in care settings impacted on our work force. Agency use was still high, Covid sickness and furlough as well as single service co-horting had a huge impact, but as the people we support were largely unable to leave their services our general requirement for staffing, and hence agency, was overall less than previous years. These factors, together with some successful, and very necessary fee re-negotiations on some of our services, were the primary reasons behind the operational surplus generated for the year of £1,092,644. After gains on the investment assets of £254,035, the statement of financial activities shows a surplus of £1,346,679 (2020 deficit £836,154). The Statement of Cash Flows on page 21 reflects the performance for the year.

The Trust continues to take action to address the disappointing operating performance of previous years (see Plan for the Future section) and has been able to set a modest operational surplus budget for 2021/22. This represents an improved position and reflects the increase in fee levels in some of our services, the reconfiguration of some services and also the closure of some services no longer fit for purpose. The Trust's action plan to return to profitability continues to focus on fee levels, modern, fit for purpose services, staff recruitment and retention, as well as ensuring cost effective structures for support and delivery of services across the Trust. All of this is being balanced with the overarching need for organisational recovery from the Covid pandemic.

Despite the challenging financial year and the austerity of the commissioning environment, demand for Trust services and the underlying Trust balance sheet remain sound. At 31 March 2021 Net Current Assets stood at £5.8m (2020: £4.4m), and Net Total Assets were £21.6m (2020: £20.3m). The Trust is also clear of debt with no outstanding loans or mortgages.

The importance of taking action to ensure that the Trust can return to achieving surpluses in normal operating conditions in the near future remains foremost in our efforts. The importance of maintaining reserves and safeguarding the Trust's financial position is vital to the wellbeing of all the people we support now, and hope to support in the future, as well as to our staff.

The fundraising costs of £29,616 (see Note 9) relate primarily to the internal Trust costs attributed to supporting this function. During 2020/21 donations of £2,214,823 were received, of which £1,580,108 were restricted, having been donated for specific purposes (see Note 3).

Reserves policy

The reserves policy will always seek to reflect the reality of the operating environment of the social care sector, as well as challenges or ambitions of the Trust. It will reflect the annual plan and strategy, as well as the organisational, strategic and major risks register.

The Finance & Resources Committee (FRC) annually reviews both the policy, to assess its relevance and effectiveness, and various elements of the organisation's risk profile to ensure that reserves targets are appropriate to the current circumstances. Any changes are recommended to the Trustees.

After the most recent review the FRC concluded that a risk-based reserves policy was still the most appropriate (as opposed to an actuarial/returns based policy) for the Trust, especially while managing through the uncertainties of the Covid-19 pandemic. The policy is based on a specific, tailored, risk-based approach which assesses what level of free reserves the Trust thinks is appropriate, and why.

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In devising a tailored risk-based reserves policy, we have identified the elements of risk that we wish to provide for and have established an appropriate value range for each. The risk elements identified are:

- Working Capital.
- Organisational Change Management Support Fund.
- Investment/Innovation Fund.
- Property Investment.
- Risk. This is in 3 strands:
 - Emergency cover to provide for one or more catastrophic events (the Covid-19 pandemic could be seen as a catastrophic event).
 - Traditional provision for the risks identified throughout the organisation, linked to and assessed against the strategic risk register.
 - Financial performance, acknowledging the risks of managing against budget in a volatile market

In consideration of the above risk elements, the Trustees determined an appropriate reserves target lay in the range of £6.5m to £12.25m (unchanged from the previous year). The target range was achieved with reserves of £7.11 million at 31 March 2021. Reserves were bolstered by the sale of a property that was no longer fit for purpose, and are here defined as those Unrestricted Income Funds not invested in land and buildings and other tangible fixed assets (i.e. 'free' reserves). In view of the current sector trading conditions the policy also defines a minimum (or critical) reserves level of £3.5m, and the reserves held well exceeded this critical-reserves level.

Investment Policy and Investment Portfolio Performance

The Trust holds an investment in the Barclays Managed Charities Fund. On a day-to-day basis the fund is managed by professional fund managers who have an investment objective to maintain a balance between capital appreciation and income, subject to a medium degree of risk.

The Trust's investment portfolio, unsurprisingly, saw a decrease in value during the early part of 2020 as a direct result of market uncertainty caused by Covid-19, however, markets subsequently recovered. As at 31 March 2021 the total value of the portfolio stood at £1,419,806 (note 15) compared to £1,165,771 as at 31 March 2020. The value of interest received on these investments during the year amounted to £37,581 (note 4), representing 2.6% of the year-end valuation, comparing favourably to bank interest rates. The Trusts policy is to obtain a return on these investments that exceeds the return that would have been achieved from normal cash investments, while maintaining and growing (over the longer term) their value.

Fundraising Policy

In its income generation activities Milestones Trust follows the requirements of charity legislation, money laundering and anti-corruption legislation and the standards promoted by the Fundraising Regulator and the Institute of Fundraising.

Milestones Trust therefore accepts financial support on the following conditions:

- The support can contribute to the furtherance of their charitable aims and objectives.
- The Trustees are satisfied accepting such support will not cause adverse publicity which affects our standing in the community in which we operate, our ability to raise funds from other established supporters or which will be detrimental to our professional reputation as a service provider.
- The Trust will not endorse or approve the services of any company, in particular those associated with its work (undertakers, solicitors etc.) whether in return for financial or other support or not.

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- The Trust will not sell any of its databases for any reason.

Risk Management

The major risks, to which the charity is exposed, as identified by Trustees, have been reviewed and systems have been established to mitigate those risks. These risks and systems are reviewed regularly by Trustees. Some risks can be mitigated by insurance and the observance of policies and procedures, whilst others require the establishment of a level of reserves.

Covid-19 Pandemic

The Covid-19 pandemic, with successive lockdowns, naturally presented new challenges. Our priorities were to keep the people we support and our staff teams safe and well, to ensure that we were following all government guidelines and that the organisation remained financially sustainable.

Several focused working groups were established, closely monitoring and recording daily progress of the Pandemic and our responses to the challenges it created. We also put together a specific Covid-19 risk register, identifying new risks and mitigating actions which the EMT updated regularly and shared with Trustees. One of the biggest challenges was rapid changes to government advice which meant that clear communication and recording was essential to ensure that all staff were fully informed throughout the Pandemic. We rapidly developed successful digital solutions to enable effective communications across the Trust.

We initially faced additional costs due to the need for agency staff to cover for staff sickness and the unplanned for cost of PPE while also facing reduced income due to the increasing voids. We continue to face the income losses from void beds which are much slower to fill due to visiting restrictions, and higher bank and agency now due to single service staff cohorting which severely curtails our ability to effectively use our Bank team across services. The government funding distributed to us by our commissioners, more recently focused specifically on infection control and rapid testing, has been very helpful and has helped us achieve financial stability for this year.

Despite the challenges a number of positives arose from the Pandemic, these include our ability to adapt to rapid change when critical, the creation of innovative digital solutions to service delivery and also to communications across the Trust, as well as collaboration with our commissioner colleagues.

General risk

The Trust has continued to review and respond to developing risks, and the experience of compiling and updating the Covid-19 risk register allowed us to review again how we recognised, recorded and mitigated against risk across the Trust. Insurances (including Business Continuity cover) are maintained and reviewed annually to ensure they meet the needs of the business. Business continuity planning is maintained at a Trust-wide and service/home level.

The principal risks facing the Trust continue to relate to the consequences of the financial constraints upon the public sector funding of health and social care, which have increased in the wake of the Covid-19 pandemic. This affects our ability to pay competitive rates of pay for staff who are required to be skilled and committed, and who have numerous other options within the job market. The issue of recruitment and retention has particularly impacted upon nurses, where there is a national shortage. While we are working hard to overcome those issues, the Trust continues to require high levels of agency staff, particularly nurses.

The Trust continued to develop strategic actions plans for recruitment, retention and reduced reliance on agency and these have been flexed to adapt to the changes in the job market created by Covid-19. Despite initial improvement in recruitment when many employment sectors had to 'close' in 2020 retaining these staff when job opportunities opened up again in 2021 was difficult. Focusing on attracting good candidates; recruiting consistently, inducting and nurturing new starters and retaining our experienced staff remains key to reducing reliance on agency workers. Where we need to use agency, we have a lead agency provider agreement and also

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a short list of secondary preferred-agency providers.

Maintaining quality is a critical factor for all providers in the sector. Milestones Trust operates a Quality Assurance system which is underpinned by CQC's key standards. The results of CQC inspections are reported to the Board of Trustees at each meeting, and action plans are put in place to address any issues identified.

Whilst overshadowed by Covid-19, Brexit remains a pertinent issue for the Trust, and we have pro-actively supported our employees from the EU to apply for settled status, if they have wished to do so,

Going concern

The trustees will ensure appropriate resources are available such as may be required, to enable day to day working capital requirements to be met for a period of at least 12 months from the date of approval of these financial statements.

The care sector has been significantly impacted by the Covid-19 pandemic, and while government financial support alleviated some of the immediate additional costs, the repercussions have been, and will continue to be, significant for some time to come.

The Trust has taken action to mitigate the financial impact of the pandemic and services have compiled financial improvement plans with clear measurable actions to ensure future sustained viability. These financial plans together with monthly reporting & forecasting, tight budget control and careful cash management during the crisis, has resulted in the trustees' conclusion that the long-term impact on the Trust should be minimal. Therefore, the trustees anticipate that Milestones will continue to operate within its current financial projections and be able to tolerate a reasonable level of unforeseen circumstance for a period of at least 12 months from the date of these financial statements.

Plans for the future: Our current strategy

Delivering responsive, reliable, high quality person-centred services lies at the heart of our organisational strategy, 'Towards a Future Together', and in 2021 we will continue to work to achieve our objectives, focusing on modernising and rebalancing our service provision through the deregistration of generic residential services, promoting and marketing our specialist residential services, and implementing our nursing strategy.

While for 2021 the focus across the Trust is financial sustainability, we have also begun the work to develop our future strategy for 2022 onwards. As we enter a post Covid-19 world we will take the opportunity to learn from and build on some of the positives that have come about during the Pandemic such as our ability to react rapidly to changing circumstances while keeping the people we support at the centre of everything we do, developing positive links within local communities and building on our use of technology where it has improved people's lives.

There will also be the need to work with people we support and other key stakeholders to develop new and creative models of service delivery that continues to provide quality outcomes.

Finances have been scarce for many years within Social Care. Absent a change in government policy towards social care, and with inflationary pressures building in the economy generally it seems likely that they will become yet more difficult. Despite the funding challenges, we are aware that the need for our services has grown over the past years – there are still too many people with learning disabilities or mental health conditions who die early, lack employment, face loneliness or who are living in hospital settings because there are not sufficient services to meet their needs.

Underpinning our strategy development are three central commitments;

- Continue to deliver continuous improvement in the services we provide, always focusing on quality and person-centred outcomes for the people we support

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

- Finding creative and innovative ways to ensure that we do this while also maintaining financial sustainability
- Extending our services to enable more people to benefit.

Some of the key areas for the coming year include:

The clear direction of travel identified for the Trust in the Towards a Future Together strategy, to reduce residential provision and increase supported living provision via the de-registering of our services wherever possible, will continue under the banner of One Trust One Vision.

We will also build on our positive learning from the Covid-19 pandemic, focusing on the positive innovations adopted by our staff, to ensure we capture the good practice and new ways of working and build them into how our service provision is designed and delivered.

- The programme of modernising service delivery will gather pace, with more responsive services being delivered in a variety of ways. In response to changing patterns of need and the shortage of nurses nationally (as well as the changing expectations and aspirations of nurses in the wider workforce) we have developed, proposed and begun to implement significant changes. In particular, the role of nursing as a specialist function has been better recognised, with the creation of Nursing Practitioners who will provide expertise and support across one or more services. Recognising the previously limited pathways for career progression for support staff, we have begun to utilise the trainee Nursing Associate programme, with one cohort already being trained and another about to start.
- Alongside initiatives to modernise our service provision the financial viability of services is being addressed. The service financial improvement plans that have been developed and are being closely monitored to ensure real change happens to enable the Trust to operate in a long-term sustainable way.
- The programme of deregistration, although disrupted by the pandemic, will continue as we offer Supported Living services to people with more complex needs. This will continue to be the default service model, but it will sit alongside a suite of specialist services.
- The Culture Workstream will be rolled out in a post-Covid form, capitalising on the adoption of electronic communication and video-conferencing which have become the new norm. The aims of the Culture Workstream are currently being reviewed in light of the impact of the pandemic.
- We will continue to build on our previous successes in involving the people we support in all aspects of how the Trust operates by ensuring they: remain actively engaged in delivering a wide range of training, have more opportunities to engage with the Board of Trustees (and vice versa); increase involvement in recruitment and begin to have their voices heard within our staff appraisals. Aspirations for the year include the recruitment of people we support into paid positions within the organization, and the development of employment coaching to sit alongside the existing day-opportunities programme. As mentioned previously in this report, the new Inclusion and Involvement Lead has a focus on embedding rather than “doing” involvement across the Trust.
- Continue to develop and implement the strategic plan to reduce agency usage and improve staff recruitment and retention.
- Incorporate the Retention Strategy, into Local and Divisional Action Plans.
- Candidate attraction - as we emerge from the pandemic we aim to introduce a sustainable career path, to support both those who have limited experience of accessing the labour market to engage in working in social care and also those wishing to pursue successful career prospects within Social Care.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

- Further review of our procurement function across the Trust will continue, with new projects identified to improve processes and quality and reduce costs. A particular area to explore will be around the Principal Procurement Provider route (e.g. Amazon Business) to consolidate current buying routes and increase financial benefits to the Trust. During Q4 of 2021/22 we will re-tender our key Estates & Facilities contracts, looking to maintain value for money but with a focus on quality and meeting the changing needs of the Trust and people we support.

Notable actions for the coming year are these:

- Fully implement phase 2 of TrustNet, focusing on workforce management and rostering functionality, to build in efficiencies, and provide agility to support growth.
- Druetts Close, a shared service for four young adults with learning disabilities experiencing independent living for the first time, will open in October 2021. The aspiration is to involve the people we will support in all decisions regarding the running of the service, and give them opportunities to experience the risks, responsibilities, and joy of becoming an adult, whilst ensuring that it remains a safe space in which to learn.
- Addison Apartments, an innovative supported living scheme in Sea Mills for five young people with physical impairments and additional learning difficulties will open in November 2021. Tenants will be supported to access their local communities and to achieve their individual potential through supported living.
- Develop commercially viable and person-centred service models in consultation with the commissioners on key areas of our specialism i.e. mental health and learning disabilities and roll these out in areas outside the current geographical area served by the Trust (Bristol, North Somerset and South Gloucestershire.).
- Continue to build on our learning on deployment of technology in social care that was escalated by the pandemic. We will continue to work in partnership with Bristol City Council and the University of Bristol on a project that seeks to understand the impact that a smart speaker like Alexa can have on the people we support. We will also carry on with another partnership project focusing on robotics in social care. Our virtual tours of our services have helped us find ways for the people we support and their families to engage with our services at the referral stage when physical visits have not been possible, and we will be developing these and other virtual tools throughout the year.
- Re-design Trust properties so they are fit for the future and develop partnership arrangements with housing associations and private landlords to source new properties where the Trust could provide care and support.
- Continue to develop our Information Technology (IT) Strategy to support the strategic direction of the Trust, focusing on agile and integrated systems that also support compliance with data protection legislation and good practice such as data mapping and record keeping. To support mobile working we will further develop our Bring Your Own device policy, and we will develop other areas of growing interest including AI and the use of care apps to improve efficiencies in support delivery and reporting.
- Continue to look for new developments in all our disciplines.

The Trust is committing itself to expand its capacity in areas identified as important by the people we support, their families, commissioners and other partners. Like other charities, we work across boundaries, in our case health, social care and housing. We are close to the user and have a passion for good quality services.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

Employment policies

Milestones Trust promotes equal opportunities and celebrates diversity within all areas of its work, and it works in partnership with SARI which provides the organization with expert support and advice. The Trust has policies in place to ensure that employees are consulted and provided with appropriate information in order that they are fully involved in the organization's performance and are aware of its future direction. Area Managers hold monthly Service Managers' meetings (including virtual meetings since lockdown). Appropriate external and internal training is provided when implementing policies. Weekly Briefs are sent from the Executive Management Team to all employees, so that everyone has the information they need, and we also produce a quarterly magazine, 'One Trust', for all our staff and the people we support.

The Trust operates an open culture and the Chief Executive and (pandemic permitting) the EMT regularly visit homes and services and encourage staff to open channels of communication. The Trust has a recognition agreement with Unison and consultation takes regarding matters relating to pay and conditions of employment.

The Trust's pay strategy is set by the Board, including the remuneration of the CEO and the approach to pay awards is considered as part of budget setting, taking into account regional, and sector benchmarking and financial parameters.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Milestones Trust for the purposes of Company Law) are responsible for preparing the Strategic Report, Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing those financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2015;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charitable parent company will continue in business.

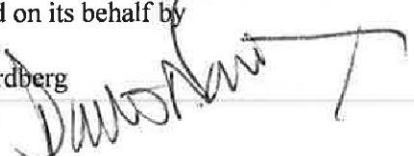
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' Report (incorporating the Strategic Report) was approved by the Board on 15 November 2021 and signed on its behalf by

D Nordberg
Chair



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

Opinion

We have audited the financial statements of Milestones Trust for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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. Based on our understanding of the charity and its industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONES TRUST

those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the trustees' and 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 posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the parent charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:


- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

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

Signed: 
Jonathan Marchant (Senior Statutory Auditor)

for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street, Bristol, BS1 6DP

Date: 6/12/21

MILESTONES TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ |
|--|-------|------------------------------|----------------------------|-------------------|------------------------------|----------------------------|-------------------|
| INCOME FROM | | | | | | | |
| Donations and legacies | 3 | 634,715 | 1,580,108 | 2,214,823 | 69,685 | 67,621 | 137,306 |
| Other trading activities | | 20,656 | - | 20,656 | - | - | - |
| Income from investments | 4 | 43,609 | - | 43,609 | 58,927 | - | 58,927 |
| Incoming resources from charitable activities | 5 | 27,599,322 | - | 27,599,322 | 29,449,837 | - | 29,449,837 |
| Surplus on disposal of fixed assets | | 362,789 | - | 362,789 | 5,900 | - | 5,900 |
| TOTAL INCOMING RESOURCES | | 28,661,091 | 1,580,108 | 30,241,199 | 29,584,349 | 67,621 | 29,651,970 |
| EXPENDITURE ON | | | | | | | |
| Raising funds | 9 | 29,616 | - | 29,616 | 28,843 | - | 28,843 |
| Charitable activities | 6 | 29,118,939 | - | 29,118,939 | 30,271,885 | - | 30,271,885 |
| TOTAL RESOURCES EXPENDED | | 29,148,555 | - | 29,148,555 | 30,300,728 | - | 30,300,728 |
| NET INCOME/(EXPENDITURE) BEFORE OTHER RECOGNISED GAINS/(LOSSES) AND TRANSFERS | | | | | | | |
| Net gains/(losses) on investment assets | 15 | (487,464) | 1,580,108 | 1,092,644 | (716,379) | 67,621 | (648,758) |
| NET INCOME/(EXPENDITURE) | | 254,035 | - | 254,035 | (187,396) | - | (187,396) |
| Gross transfers between funds | | (233,429) | 1,580,108 | 1,346,679 | (903,775) | 67,621 | (836,154) |
| NET MOVEMENT IN FUNDS | | 1,628,876 | (1,628,876) | - | 173,574 | (173,574) | - |
| Total funds brought forward | | 18,103,725 | 2,158,038 | 20,261,763 | 18,833,926 | 2,263,991 | 21,097,917 |
| Total funds carried forward | | 19,499,172 | 2,109,270 | 21,608,442 | 18,103,725 | 2,158,038 | 20,261,763 |

*All activities relate to continuing operations.
The notes on pages 23 to 39 form part of these financial statements.*

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

| | Notes | Unrestricted Income Fund 2021 £ | Restricted Funds 2021 £ | Total 2021 £ | Unrestricted Income Fund 2020 £ | Restricted Funds 2020 £ | Restated Total 2020 £ |
|--|-------|---|----------------------------------|--------------------|---|----------------------------------|--------------------------------|
| FIXED ASSETS | | | | | | | |
| Tangible assets | 13 | 12,130,607 | 2,044,392 | 14,174,999 | 12,533,087 | 2,094,600 | 14,627,687 |
| Intangible assets | 14 | 280,720 | - | 280,720 | 143,451 | - | 143,451 |
| Investments | 15 | 1,419,806 | - | 1,419,806 | 1,165,771 | - | 1,165,771 |
| Total fixed assets | | <u>13,831,133</u> | <u>2,044,392</u> | <u>15,875,525</u> | <u>13,842,309</u> | <u>2,094,600</u> | <u>15,936,909</u> |
| CURRENT ASSETS | | | | | | | |
| Debtors | 16 | 1,772,433 | - | 1,772,433 | 1,786,783 | - | 1,786,783 |
| Cash at bank and in hand | | 5,887,207 | 64,878 | 5,952,085 | 4,723,339 | 63,438 | 4,786,777 |
| Total current assets | | <u>7,659,640</u> | <u>64,878</u> | <u>7,724,518</u> | <u>6,510,122</u> | <u>63,438</u> | <u>6,573,560</u> |
| CREDITORS: Amounts falling due within one year | 17 | (1,908,655) | - | (1,908,655) | (2,143,228) | - | (2,143,228) |
| Net current assets | | <u>5,750,985</u> | <u>64,878</u> | <u>5,815,863</u> | <u>4,366,894</u> | <u>63,438</u> | <u>4,430,332</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>19,582,118</u> | <u>2,109,270</u> | <u>21,691,388</u> | <u>18,209,203</u> | <u>2,158,038</u> | <u>20,367,241</u> |
| CREDITORS: Amounts falling due in over one year | 18 | (19,958) | - | (19,958) | (30,845) | - | (30,845) |
| PROVISIONS for liabilities and charges | 20 | (62,988) | - | (62,988) | (74,633) | - | (74,633) |
| NET ASSETS | | <u>19,499,172</u> | <u>2,109,270</u> | <u>21,608,442</u> | <u>18,103,725</u> | <u>2,158,038</u> | <u>20,261,763</u> |
| FUNDS OF THE CHARITY | | | | | | | |
| Funds invested in fixed assets | | 12,380,482 | - | 12,380,482 | 12,634,807 | - | 12,634,807 |
| Investment revaluation reserve | | 5,651 | - | 5,651 | - | - | - |
| Funds available for use | | 7,113,039 | - | 7,113,039 | 5,468,918 | - | 5,468,918 |
| Unrestricted income funds | 23 | 19,499,172 | - | 19,499,172 | 18,103,725 | - | 18,103,725 |
| Restricted funds | 24 | - | 2,109,270 | 2,109,270 | - | 2,158,038 | 2,158,038 |
| TOTAL CHARITY FUNDS | | <u>19,499,172</u> | <u>2,109,270</u> | <u>21,608,442</u> | <u>18,103,725</u> | <u>2,158,038</u> | <u>20,261,763</u> |

Approved by the Board on 15 November 2021 and signed on its behalf by

D Nordberg
Chair



The notes on pages 23 to 39 form part of these financial statements.

MILESTONES TRUST**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021**

| | 2021 | 2020 |
|---|-------------------------|-------------------------|
| | £ | £ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net incoming resources | 1,346,679 | (836,154) |
| Adjustments for: | | |
| Depreciation and amortisation | 490,180 | 442,799 |
| (Surplus)/loss on sale of property, plant and equipment | (362,789) | (5,900) |
| Investments (gains)/losses | (254,035) | 187,396 |
| Investment income | (43,609) | (58,927) |
| Interest expense | 1,676 | 1,146 |
| Trade and other receivables | 14,350 | 164,166 |
| Trade and other payables | (254,997) | (272,358) |
| | <u>937,455</u> | <u>(377,832)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (137,872) | (720,633) |
| Purchase of intangibles | (175,854) | (145,847) |
| Proceeds on disposal of property, plant and equipment | 510,532 | 5,900 |
| Interest received | 43,609 | 58,927 |
| | <u>240,415</u> | <u>(801,653)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (1,676) | (1,146) |
| Finance lease repayments made | (10,886) | (10,886) |
| | <u>(12,562)</u> | <u>(12,032)</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 1,165,308 | (1,191,517) |
| Cash and cash equivalents at the beginning of the year | 4,786,777 | 5,978,294 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u><u>5,952,085</u></u> | <u><u>4,786,777</u></u> |

The notes on pages 23 to 39 form part of these financial statements.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

COMPANY INFORMATION

The company is a private company, limited by guarantee and is incorporated in England & Wales. Its registered office address is Unit 10, Eclipse Office Park, High Street, Staple Hill, Bristol BS16 5EL. Milestones Trust meets the definition of a public benefit entity under FRS102.

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (“FRS 102”), and with the Companies Act 2006. They follow the recommendations in the Charities Statement of Recommended Practice (FRS 102). The Trustees have, in accordance with s.396 of the Companies Act 2006, departed from the standard format of the income and expenditure account in order to give a true and fair view and comply with the Statement of Recommended Practice.

The financial statements have been prepared on the historical cost basis except as specified in the accounting policies below. The financial statements are presented in Sterling (£) and are rounded to the nearest £.

Going concern

After reviewing the forecasts and projections, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The impact of Covid-19 has been taken into account and while the outcome of the pandemic remains uncertain the Trust has robustly managed the challenges presented so far, both operationally and financially, and has confidence in its ability to continue to do so. The Trust therefore continues to adopt the going concern basis in preparing its financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Costs of a capital nature are capitalised when they relate to new purchases of significant value. Direct replacements of assets such as white goods are treated as revenue expenditure.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight line method at the following rates:

| | |
|--------------------------------------|-----------|
| Freehold properties (excluding land) | 2% |
| Furniture, fittings and equipment | 10% - 20% |
| Motor vehicles | 20% |

Impairment reviews are conducted where there is some indication that impairment has occurred. Impairment losses are recognised to the extent that the carrying amount of an asset is considered to exceed its recoverable amount.

Due to the difficulty in identifying the large number of individual items of furniture, fittings and equipment, items of this nature are treated as disposed of in the financial statements once fully depreciated.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated so as to allocate the cost of intangibles less their estimated residual values over their estimated useful lives, using the straight line method at the following rates:

| | |
|----------------------------|-----|
| Software development costs | 20% |
|----------------------------|-----|

Investments

Listed investments are valued at fair value, being their mid-market value at the balance sheet date.

Investments in subsidiary undertakings are valued at cost in the company's own balance sheet, and removed from the financial statements on consolidation.

Debtors and creditors

Debtors and short term creditors are measured at the transaction price.

Cash balances and financial instruments

Cash balances and basic financial instruments are initially accounted for at their transaction price except for financing transactions, including bank loans, which are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the accounting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a discount rate. The unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months. The provision is measured at the salary cost payable for the period of absence.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Restricted funds

These are earmarked by the donor or grantor, or the terms of an appeal, for specific purposes within the overall aims of the charity. The donation or grant and income deriving therefrom must be used in accordance with the specific purposes. Restricted funds may be of a capital or a revenue nature. In the latter case the restriction is discharged once the donation or grant is expended as required.

Income

Income from donations and legacies includes grant income, and is recognised on a receivable basis in the appropriate fund.

Incoming resources from charitable activities are recognised on a receivable basis, and consist principally of charges for the provision of residential and nursing care and related services. Incoming resources are allocated to charitable activities on the basis of actual amounts received. Contract income received in advance of the period to which it relates is deferred.

Historically, capital grants were received in the form of land and buildings to be used for the provision of accommodation for residents with learning disabilities or mental health needs. These properties cannot be sold without repayment of the related capital value. These grants are therefore accounted for as Restricted Capital Funds. The relevant assets are depreciated in accordance with the depreciation policy and the value of the Restricted Capital Fund is reduced accordingly.

Expenditure

All resources expended are included in the Statement of Financial Activities during the period in which they are incurred, on an accruals basis and inclusive of any VAT which cannot be recovered since the Trust is not registered for VAT.

Support costs and governance costs are allocated to charitable activities with the exception of a small proportion of support costs that have been allocated to costs of generating voluntary income, together with specific costs incurred.

Pension costs

Contributions payable to defined contribution pension schemes are charged to the income and expenditure account in the period to which they relate.

Contributions payable to the National Health Service pension scheme are charged to the income and expenditure account in the period that they arise. The scheme is a multi-employer scheme in which it is not possible for the Trust to identify its share of the underlying assets and liabilities, and the Trust is therefore exempted from some of the disclosure requirements of FRS 102.

Charitable commitments

Charitable commitments relate to the provision of continuing care for existing service users. All future charitable commitments will be met from future funding, via contract income from Social Services and Health Service commissioners, and residents' contributions. Future expenditure in respect of charitable commitments is therefore not recognised in the financial statements.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Termination benefits

Liabilities for termination benefits are recognised when the Trust is committed to terminating an employee's employment before normal retirement date. The liability is calculated as the best estimate of the cost at the reporting date.

Loan arrangement fees

Material loan arrangement fees are deducted from the amount of principal advanced in order to calculate the effective interest rate on the loan, and then treated as a component of the finance charge and amortised over the period of the loan.

3. INCOME FROM DONATIONS AND LEGACIES

| | 2021 £ | 2020 £ |
|---|------------------|----------------|
| Restricted donations | | |
| Restricted Covid related grants | 901,963 | - |
| Coronavirus Job Retention Scheme | 571,219 | - |
| Donations from Quartet | 43,911 | 9,544 |
| Health Education England grant | 29,639 | - |
| Skills for Care grant | 8,580 | 4,350 |
| Other restricted grants and donations | 24,796 | 53,727 |
| | <u>1,580,108</u> | <u>67,621</u> |
| Unrestricted donations | | |
| Unrestricted Covid related grants | 600,086 | - |
| Other unrestricted grants and donations | 34,629 | 69,685 |
| | <u>2,214,823</u> | <u>137,306</u> |

All restricted donations have been received for a specific purpose, of which £64,878 had not been spent at 31 March 2021. This amount is therefore carried forward as part of restricted funds (note 24). All other donations and grants were spent during the year and the restrictions have therefore been discharged. Equivalent transfers have therefore been made to the unrestricted income fund.

4. INCOME FROM INVESTMENTS

| | 2021 £ | 2020 £ |
|--|---------------|---------------|
| Interest receivable | 6,028 | 12,962 |
| Income from stock exchange investments | 37,581 | 45,965 |
| | <u>43,609</u> | <u>58,927</u> |

MILESTONES TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

| | 2021 | 2020 |
|--|-------------------|-------------------|
| | £ | £ |
| Health authority grant | 618,945 | 789,712 |
| Contract income | 25,474,793 | 26,767,495 |
| Service user contributions | 1,437,742 | 1,744,659 |
| PCT funding re increased pension contributions (note 27) | 53,869 | 69,383 |
| Other operational income | 13,973 | 78,588 |
| | <u>27,599,322</u> | <u>29,449,837</u> |

6. EXPENDITURE ON CHARITABLE ACTIVITIES

| | 2021 | 2020 |
|---------------------------------------|--------------------------|--------------------------|
| | £ | £ |
| Staff costs | | |
| Employee costs | 18,669,555 | 18,345,859 |
| Agency staff costs | 2,960,528 | 4,213,648 |
| | <u>21,630,083</u> | <u>22,559,507</u> |
| Non-Pay costs | | |
| Food and household | 638,724 | 658,099 |
| Residents amenities | 162,240 | 260,399 |
| Travel costs | 173,659 | 267,572 |
| Telephone | 111,303 | 90,585 |
| Stationery and office expenses | 83,213 | 97,052 |
| Hygiene and medical | 421,369 | 304,498 |
| Bad debts | (19,425) | (22,491) |
| | <u>1,571,083</u> | <u>1,655,714</u> |
| Property costs | | |
| Utilities | 486,160 | 518,580 |
| Registration fees | 48,124 | 56,451 |
| Loan interest | 1,676 | 1,146 |
| Rent | 364,309 | 367,699 |
| Fixtures, repairs and maintenance | 1,349,506 | 1,441,905 |
| Property management charges | 42,817 | 42,515 |
| Depreciation | 372,275 | 367,557 |
| Council tax | 90,412 | 84,463 |
| | <u>2,755,279</u> | <u>2,880,316</u> |
| Support costs reallocated (note 7) | 3,129,769 | 3,141,930 |
| Governance costs reallocated (note 8) | 32,725 | 34,418 |
| TOTAL EXPENDITURE | <u><u>29,118,939</u></u> | <u><u>30,271,885</u></u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7. SUPPORT COSTS

| | 2021 £ | 2020 £ |
|---|-------------------------|-------------------------|
| Head office property costs | 153,782 | 188,186 |
| Head office staff costs | 1,784,964 | 1,721,312 |
| Head office agency costs | 4,350 | 32,998 |
| Staff training and development | 85,512 | 176,573 |
| Staff recruitment | 47,320 | 111,120 |
| Staff and payroll support costs | 349,175 | 191,601 |
| Information technology | 217,707 | 163,141 |
| Insurance | 133,914 | 125,345 |
| Office consumables | 91,946 | 110,896 |
| Legal and professional fees | 67,402 | 93,473 |
| Bank charges | 12,246 | 12,247 |
| Marketing | 61,761 | 91,115 |
| Head office depreciation | 83,631 | 46,338 |
| Other head office expenses | 51,786 | 93,374 |
| | <u>3,145,496</u> | <u>3,157,719</u> |
| Less 0.5% recharge to expenditure on raising funds (note 9) | (15,727) | (15,789) |
| | <u><u>3,129,769</u></u> | <u><u>3,141,930</u></u> |

8. GOVERNANCE COSTS

| | 2021 £ | 2020 £ |
|--|---------------|---------------|
| Reimbursement of Trustees' expenses | 118 | 2,419 |
| Trustees' meeting, training and recruitment costs | - | 2,192 |
| External auditors' fees | 21,420 | 20,568 |
| Recharge 5% salary costs for Chief Executive and Director of Finance | 11,187 | 9,239 |
| | <u>32,725</u> | <u>34,418</u> |

No remuneration has been paid to any trustee or any person connected with a trustee.

Expenses were paid to one (2020 four) trustee in respect of mileage and other expenses incurred.

Trustee indemnity insurance is in place, but the individual premium cost cannot be separated out from other combined policy premiums.

9. EXPENDITURE ON RAISING FUNDS

| | 2021 £ | 2020 £ |
|---|---------------|---------------|
| Fundraising staff costs | 13,889 | 13,054 |
| Recharge 0.5% of support costs (note 7) | 15,727 | 15,789 |
| | <u>29,616</u> | <u>28,843</u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. STAFF COSTS

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Wages and salaries | 18,734,763 | 18,242,269 |
| Social security costs | 1,348,752 | 1,315,590 |
| Other pension costs | 425,386 | 454,623 |
| | <u>20,508,901</u> | <u>20,012,482</u> |
| Apprenticeship levy | 76,862 | 76,981 |
| | <u>20,585,763</u> | <u>20,089,463</u> |
| Remuneration costs of key management personnel | 430,648 | 390,521 |
| Redundancy and termination payments | 248,575 | 93,840 |

Key management personnel are considered to consist of the Chief Executive, Director of Finance, Director of Operations, Director of Human Resources and the Director of Business Development.

Agency staff are engaged when necessary to cover staff shortages or absences. Agency expenditure during the year ended 31 March 2021 amounted to £2,964,877 (2019 £4,246,646).

11. EMPLOYEES

The average number of employees during the year was as follows:

| | Average number | | Whole time equivalents | |
|-------------------------------|----------------|--------------|---------------------------|------------|
| | 2021 | 2020 | 2021 | 2021 |
| Management and administration | 67 | 60 | 59 | 52 |
| Care staff | 999 | 1,034 | 795 | 801 |
| | <u>1,066</u> | <u>1,094</u> | <u>854</u> | <u>853</u> |

Employees whose emoluments fell within the following ranges were as follows:

| | 2021 | 2020 |
|---------------------|------|------|
| £60,000 to £70,000 | 2 | 3 |
| £70,000 to £80,000 | 1 | 0 |
| £80,000 to £90,000 | 0 | 1 |
| £90,000 to £100,000 | 1 | 0 |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

12. NET INCOME FOR THE YEAR

| | 2021 | 2020 |
|---|-------------|-------------|
| This is stated after crediting: | £ | £ |
| Profit on disposal of tangible fixed assets | 362,789 | 5,900 |
| and after charging: | | |
| Operating leases - property rental | 412,608 | 422,417 |
| - motor vehicles | 39,945 | 44,909 |
| Auditor's remuneration – audit fees | 18,200 | 17,850 |

13. TANGIBLE FIXED ASSETS

| | Freehold properties £ | Fixtures & equipment £ | Motor vehicles £ | Total £ |
|-----------------------|--------------------------------------|---|---------------------------------|---------------------|
| COST | | | | |
| At 1 April 2020 | 21,112,497 | 357,995 | 344,952 | 21,815,444 |
| Additions | 118,946 | - | 17,000 | 135,946 |
| Disposals | (220,228) | (18,720) | - | (238,948) |
| At 31 March 2021 | <u>21,011,215</u> | <u>339,275</u> | <u>361,952</u> | <u>21,712,442</u> |
| DEPRECIATION | | | | |
| At 1 April 2020 | 6,649,549 | 217,099 | 321,109 | 7,187,757 |
| Charge for the year | 376,061 | 45,605 | 19,225 | 440,891 |
| Disposals | (72,485) | (18,720) | - | (91,205) |
| At 31 March 2021 | <u>6,953,125</u> | <u>243,984</u> | <u>340,334</u> | <u>7,537,443</u> |
| NET BOOK VALUE | | | | |
| At 31 March 2020 | <u>£ 14,462,948</u> | <u>£ 140,896</u> | <u>£ 23,843</u> | <u>£ 14,627,687</u> |
| At 31 March 2021 | <u>£ 14,058,090</u> | <u>£ 95,291</u> | <u>£ 21,618</u> | <u>£ 14,174,999</u> |

The net book value of freehold properties includes £2,205,237 (2020 £2,235,237) in respect of non-depreciable land.

The net book value of fixtures and equipment includes £30,832 (2020 £41,719) in respect of assets held under finance leases.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14. INTANGIBLE FIXED ASSETS

| | Software costs £ |
|---------------------|------------------------|
| COST | |
| At 1 April 2020 | 337,797 |
| Additions | 186,557 |
| Disposals | (24,000) |
| At 31 March 2021 | <u>500,355</u> |
| DEPRECIATION | |
| At 1 April 2020 | 194,346 |
| Charge for the year | 49,289 |
| Disposals | (24,000) |
| At 31 March 2021 | <u>219,635</u> |
| NET BOOK VALUE | |
| At 31 March 2020 | <u>143,451</u> |
| At 31 March 2021 | <u>280,720</u> |

Additions to intangible fixed assets include £102,233 in respect of capitalised salary costs.

15. INVESTMENTS

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Listed Investments | | |
| Valuation at 1 April 2020 | 1,165,771 | 1,353,167 |
| Realised (losses)/profits on disposal | (8,165) | 144 |
| Unrealised profits/(losses) on revaluation | 262,200 | (187,540) |
| Valuation at 31 March 2021 | <u>1,419,806</u> | <u>1,165,771</u> |

Listed investments represent amounts invested in the Barclays Managed Charities Fund. This is managed by Barclays' Fund Managers. The investment is held to provide an investment return to the charity.

MILESTONES TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****16. DEBTORS**

| | 2021 £ | 2020 £ |
|--------------------------------|------------------|------------------|
| Operational debtors | 1,466,892 | 1,492,638 |
| Other debtors | 62,085 | 19,639 |
| Prepayments and accrued income | 243,456 | 274,506 |
| | <u>1,772,433</u> | <u>1,786,783</u> |

17. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 £ | 2020 £ |
|------------------------------|------------------|------------------|
| Finance lease creditor | 10,886 | 10,886 |
| Trade creditors | 870,843 | 832,352 |
| Tax and social security | 84,469 | 306,855 |
| Other creditors | 140,479 | 146,041 |
| Accruals and deferred income | 801,978 | 847,094 |
| | <u>1,908,655</u> | <u>2,143,228</u> |

18. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2021 £ | 2020 £ |
|------------------------|---------------|---------------|
| Finance lease creditor | <u>19,958</u> | <u>30,845</u> |

19. MATURITY OF LONG TERM CREDITORS**Finance leases**

| | 2021 £ | 2020 £ |
|--|-----------------|-----------------|
| Amounts falling due: | | |
| Within one year (note 17) | 10,886 | 10,886 |
| Within 1 to 2 years | 19,958 | 10,886 |
| Within 2 to 5 years | - | 19,959 |
| | <u>30,844</u> | <u>41,731</u> |
| Less: amounts falling due within one year (note 17) | <u>(10,886)</u> | <u>(10,886)</u> |
| | <u>19,958</u> | <u>30,845</u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

20. PROVISIONS FOR LIABILITIES AND CHARGES

| | Pension deficit £ |
|------------------------------|----------------------------------|
| At 1 April 2020 | 74,633 |
| Paid during the year | (15,475) |
| Re-measurement of provision | 2,154 |
| Unwinding of discount factor | 1,676 |
| At 31 March 2021 | <u>74,633</u> |

The pension deficit provision relates to the obligation to pay additional contributions to the Trustees of the TPT Retirement Solutions Growth Plan pension scheme in order to fund the deficit in value of that scheme (note 27). 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% (2.53% at 31 March 2020). The unwinding of the discount rate is recognised as a finance cost.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Revaluation reserve | Unrestricted funds invested in fixed assets | Balance of unrestricted funds | Restricted capital fund | Restricted income fund | Total funds |
|--|---------------------|---|-------------------------------|-------------------------|------------------------|--------------------|
| | £ | £ | £ | £ | £ | £ |
| FIXED ASSETS | | | | | | |
| Tangible assets | - | 12,099,762 | 30,845 | 2,044,392 | - | 14,174,999 |
| Intangible assets | - | 280,720 | - | - | - | 280,720 |
| Investments | 5,651 | - | 1,414,155 | - | - | 1,419,806 |
| Total fixed assets | 5,651 | 12,380,482 | 1,445,000 | 2,044,392 | - | 15,875,525 |
| CURRENT ASSETS | | | | | | |
| Debtors | - | - | 1,772,433 | - | - | 1,772,433 |
| Cash at bank and in hand | - | - | 5,887,207 | - | 64,878 | 5,952,085 |
| Total current assets | - | - | 7,659,640 | - | 64,878 | 7,724,518 |
| CREDITORS: Amounts falling due within one year | - | - | (1,908,655) | - | - | (1,908,655) |
| Net current assets | - | - | 5,750,985 | - | 64,878 | 5,815,863 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 5,651 | 12,380,482 | 7,195,985 | 2,044,392 | 64,878 | 21,691,388 |
| CREDITORS: Amounts falling due in over one year | - | - | (19,958) | - | - | (19,958) |
| PROVISIONS for liabilities and charges | - | - | (62,988) | - | - | (62,988) |
| NET ASSETS AT 31 MARCH 2021 | 5,651 | 12,380,482 | 7,113,039 | 2,044,392 | 64,878 | 21,608,442 |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

22. MOVEMENT OF FUNDS

| | Revaluation reserve | Unrestricted funds invested in fixed assets | Balance of unrestricted funds | Restricted capital fund | Restricted income fund | Total funds |
|--|------------------------|---|-------------------------------------|----------------------------|---------------------------|-------------------|
| | £ | £ | £ | £ | £ | £ |
| AT 1 APRIL 2020 | - | 12,634,807 | 5,468,918 | 2,094,600 | 63,438 | 20,261,763 |
| Surplus for the year ended 31 March 2021 | 5,651 | (254,325) | 15,245 | - | 1,580,108 | 1,346,679 |
| Transfers between funds | - | - | 1,628,876 | (50,208) | (1,578,668) | - |
| AT 31 MARCH 2021 | <u>5,651</u> | <u>12,380,482</u> | <u>7,113,039</u> | <u>2,044,392</u> | <u>64,878</u> | <u>21,608,442</u> |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

23. UNRESTRICTED INCOME FUNDS

The unrestricted income funds consist of:

Funds invested in tangible and intangible fixed assets – being the value of tangible and intangible fixed assets (notes 13 and 15) less the value of loans secured thereon (note 20), less restricted funds invested in fixed assets (note 24).

Investment revaluation reserve – being cumulative unrealised gains less unrealised losses arising on the investment portfolio (note 15).

Funds available for use – being the balance of unrestricted funds.

24. RESTRICTED FUNDS

Restricted funds represent capital or income donations or grants received by the Trust for specific purposes. In the case of restricted income donations or grants the restriction is discharged once the donations or grants are expended as required.

Restricted capital fund

It was a condition of capital grants received in the past that properties purchased continue to be used for specified charitable purposes and the grants are secured by legal charges in favour of the Secretary of State for Health. If the properties cease to be used for these purposes or are sold without authorised reinvestment, then the market value of the property is repayable to the Health Authority. The restriction in respect of these grants was therefore not discharged when the properties were purchased. These grants continue to be reflected in the balance on restricted funds, but are stated net of amounts released annually to the unrestricted income fund to offset related depreciation charges.

Since there is no intention, in the foreseeable future, to cease to use the properties for the specified charitable purposes, nor to sell them without reinvestment, it is considered that no provision should be made for grants potentially repayable to the Secretary of State for Health.

Restricted income fund

During the year ended 31 March 2021, there were restricted income donations and grants amounting to £1,580,108 (2020 £67,621). This includes £901,963 in respect of government funded Covid related grants to fund additional infection control measures, the introduction of regular lateral flow testing for visitors and employees and improvements in workforce capacity. See note 3 for further details of donations and grants received. The restrictions have been discharged in respect of restricted donations and grants amounting to £1,578,668, including some donations and grants received in prior years, and an equivalent transfer has therefore been made to the unrestricted income fund.

25. CAPITAL COMMITMENTS

| | 2021 | 2020 |
|--|-------|--------|
| | £ | £ |
| At 31 March 2021 there were the following contracted for capital commitments | - | 91,000 |
| | ===== | ===== |

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

26. OPERATING LEASE COMMITMENTS

At 31 March 2021 there were the following total commitments under non-cancellable operating leases:

| | Land and Buildings 2021 £ | Motor Vehicles 2021 £ | Land and Buildings 2020 £ | Motor Vehicles 2020 £ |
|----------------------------------|--|--|--|--|
| Expiring within one year | 311,095 | 4,977 | 336,358 | 17,609 |
| Expiring in two to five years | 11,450 | - | 33,125 | 1,368 |
| Expiring in more than five years | - | - | - | - |
| | <u>322,545</u> | <u>4,977</u> | <u>369,483</u> | <u>18,977</u> |

27. PENSION COSTS

The Trust participates in one defined contribution scheme and one defined benefit schemes. The assets of both pension schemes are held separately from those of the Trust in independently administered funds.

TPT Retirement Solutions – The Growth Plan Series 4

Contributions payable by the Trust to this defined contribution scheme, in respect of 957 employees (2020 911), amounted to £323,241 (2020 £319,125). Contributions totalling £73,435 (2020 £66,189) were payable to this fund at 31 March 2021 and are included in creditors (note 17).

NHS Pension Scheme

Some employees of the Trust are eligible for membership of the NHS Pension Scheme. This is a multi-employer defined benefits scheme for the National Health Service and other approved organisations.

Contributions payable by the Trust to the NHS Pension Fund during the year, in respect of 38 employees (2020 49), amounted to £102,145 (2020 £135,034). Employers' and employees' contributions totalling £nil (2020 £14,221) were payable to this fund at the balance sheet date and are included within other creditors (note 17).

Due to the nature of the scheme, the Trust is unable to identify its share of the underlying assets and liabilities and, in accordance with FRS 102, the Trust is therefore exempted from providing details of these. The cost of pensions are met by a level percentage contribution called the Normal Contribution rate, calculated by the Government Actuary on the basis of quinquennial valuations using the prospective benefits valuation method.

The most recent valuation, published in February 2019, was for the four years from 2012 to 2016. This is a public document available from HM Stationery Office and for a more complete understanding it should be reviewed in its entirety.

The most recent actuarial valuation showed that the value placed on notional investments at 31 March 2016 amounted to £278.1 billion and that the present value of benefits accrued to members amounted to £297.5 billion, net of the present value of future contributions by current members. There was therefore a deficiency at 31 March 2016 amounting to £19.4 billion.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Most existing NHS pension scheme members were transferred to a new scheme (“the 2015 scheme”) on 2015. The previous actuarial valuation was required to take account of the impact of the introduction of this scheme. It concluded that the employer contribution rate for the period from 1 April 2015 to 31 March 2020 should be increased to 14.3% of pensionable pay.

The latest actuarial valuation concluded that the employer contribution rate should be increased to 20.6% of pensionable pay for the period from 1 April 2020 to 31 March 2023 to meet the cost of scheme benefits. The

Department of Health and Social Care (DHSC) confirmed this increase, but the Government has committed to providing additional funding to meet this additional cost to employers. It has subsequently been confirmed that for 2021/22 the amount to be collected from employers will continue at 14.3% (plus 0.08% administration charge) and that central payments will be made by NHS England and by DHSC to cover the remaining cost.

Commitments have also been given that the additional funding will recur annually until March 2023.

TPT Retirement Solutions – The Growth Plan Series 3

Prior to 1 October 2012 employees were eligible for participation in Series 3 of The Pensions Trust’s Growth Plan (the Plan). On 1 October 2013 the Plan was closed, and all employees within the Plan were transferred to Series 4, a defined contribution scheme (see above). Although the Plan is now closed, details are included here as the Trust has a number of actual and potential future liabilities relating to it.

The Plan is a multi-employer pension plan that provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Trust to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme and therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the 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 scheme is classified as a “last-man standing arrangement”. Therefore the 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.

A full actuarial valuation of the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9 million, liabilities of £926.4 million and a deficit of £131.5 million. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

*Deficit contributions from 1 April 2019 to 31 January 2025
£11,243,000 per annum, payable monthly and increasing by 3% each year on 1 April*

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

The scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4 million, liabilities of £969.9 million and a deficit of £176.5 million. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions from 1 April 2016 to 30 September 2025
£12,945,440 per annum, payable monthly and increasing by 3% each year on 1 April

Deficit contributions from 1 April 2016 to 30 September 2028
£54,560 per annum, payable monthly and increasing by 3% each year on 1 April

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities. The Trust recognises a liability for this obligation, being the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The net present value of the Trust's provision is £62,988 (2020 £74,633). See note 21 for details of the calculation of this provision.

28. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year or the prior year.

29. LIMITED LIABILITY STATUS

The Trust is a company limited by guarantee with no share capital.

