

**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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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.

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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.milestonetrust.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.

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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.

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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

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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 Coordinator 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

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£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.

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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.

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- 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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- 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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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.

MILESTONES TRUST

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.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

- 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.

MILESTONES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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	324,473	308,254
Total energy consumption (kWh)	5,112,438	6,132,662
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	962.89	1,212.69
Intensity ratio tCO2e per average FTE employee	1.38	1.59

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.

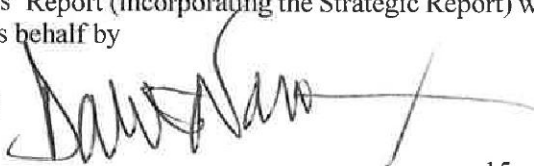
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible 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
Income from 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		<u>3,185,794</u>	<u>293,727</u>	<u>3,479,521</u>	<u>5,451,438</u>	<u>309,303</u>	<u>5,760,741</u>
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	<u>(2,028,284)</u>	<u>-</u>	<u>(2,028,284)</u>	<u>(2,448,729)</u>	<u>-</u>	<u>(2,448,729)</u>
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	<u>(10,405)</u>	<u>-</u>	<u>(10,405)</u>	<u>(16,321)</u>	<u>-</u>	<u>(16,321)</u>
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		<u>5,367,971</u>	<u>-</u>	<u>5,367,971</u>	<u>6,767,903</u>	<u>-</u>	<u>6,767,903</u>
Unrestricted income funds	23	<u>16,887,164</u>	<u>-</u>	<u>16,887,164</u>	<u>18,723,188</u>	<u>-</u>	<u>18,723,188</u>
Restricted funds	24	<u>-</u>	<u>2,394,408</u>	<u>2,394,408</u>	<u>-</u>	<u>2,470,126</u>	<u>2,470,126</u>
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%
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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>31,478,070</u>	<u>30,755,273</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>4,217,882</u>	<u>3,550,541</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
	<u>629,700</u>	<u>508,001</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 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	20,999,313	343,734	374,053	21,717,100
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	7,635,727	321,260	348,457	8,305,444
NET BOOK VALUE				
At 31 March 2022	13,682,205	53,253	10,200	13,745,658
At 31 March 2023	13,363,586	22,474	25,596	13,411,656

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	-
At 31 March 2023	<u>448,292</u>
DEPRECIATION	
At 1 April 2022	141,343
Charge for the year	89,659
Disposals	-
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
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.

