

# HF TRUST LIMITED

England & Wales · Charity number 313069

## Details

---

**Other names** THE HOME FARM TRUST LIMITED, H F T LTD, HFT, HFT LTD

**Status** Registered

**Legal form** Charitable company

**Company number** [00734984](#)

**Registered** 1971-09-08

**Register** [View on the Charity Commission register](#)

## Contact

---

**Address** H F Trust Ltd  
5-6 Brook Office Park  
Emersons Green  
Bristol  
BS16 7FL

**Phone** 01179061700

**Email** [hftgovernance@hft.org.uk](mailto:hftgovernance@hft.org.uk)

**Website** [www.hft.org.uk](http://www.hft.org.uk)

## Activities

---

**Objects:** 1. TO ENABLE AND SUPPORT PEOPLE WITH LEARNING DISABILITIES TO EXPERIENCE FULFILLING LIVES IN WAYS WHICH MAXIMISE THEIR INVOLVEMENT IN THE COMMUNITY AND PARTICIPATION AS CITIZENS, AND TO EXERCISE CHOICE.2. TO OFFER ADVICE TO AND SUPPORT FOR THOSE WHO CARE FOR PEOPLE WITH LEARNING DISABILITIES

**Activities:** Provision of care services for adults with learning disabilities.Provision of advice and support to families and carers of people with learning disabilities

## Classification

---

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Disability, Accommodation/housing
- **Who:** People With Disabilities

## Geography

- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£84,965,000	£89,241,000	£44,451,000	1900
2024-03-31	£89,362,000	£98,450,000	£48,732,000	2377
2023-03-31	£81,187,000	£96,908,000	£57,898,000	2628
2022-03-31	£89,735,000	£88,879,000	£74,018,000	3018
2021-03-31	£84,985,000	£86,002,000	£73,322,000	3153

## Trustees

Name	Role	Appointed
Amanda Jane Bunce		2018-02-01
Andrew Manning		2025-09-25
Annemarie Strong		2023-01-26
Dr Mairi McLean		2026-03-26
Gillian Bryant		2026-04-30
Jane Brightman		2026-04-30
Jonathan Laredo		2024-02-01
Lee Bennett		2026-04-30
PAUL JAMES MORGAN		2018-10-19
Paul Wood		2026-05-27
Robert Whetton		2025-09-25

**HF TRUST LIMITED**

England & Wales - Charity number 313069

---

# Accounts

---

**HF Trust Limited**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 March 2025**

Company Registration No. 734984

Charity Registration No. 313069

## Contents

Reference and administrative details .....	3
Welcome from the Chair of Trustees and Chief Executive .....	5
Strategic Report: Objectives, Activities and Public Benefit.....	8
Achievements and Performance .....	9
Our Colleagues .....	12
Our Volunteers .....	13
Future Plans .....	14
Structure, Governance and Management .....	14
Modern Slavery Statement .....	19
Fundraising Activity and Standards .....	20
Investments .....	22
Environmental Policy and Actions.....	22
Internal Controls Statement .....	24
Directors' and Officers' Liability Insurance .....	27
Financial Review.....	28
Statement of Trustees' responsibilities .....	33
Independent Auditor's Report to the members of HF Trust Limited .....	35
Consolidated Statement of Financial Activities .....	39
Balance Sheets .....	40
Cashflow Statement.....	42
Notes to the Financial Statements.....	43

## Reference and administrative details

### **Royal Patron**

HRH The Princess Royal

### **Trustees**

Amanda Bunce (Chair)

Paul Morgan

Irfana Malik

Timothy Tamblyn

John Devapriam (Vice Chair)

Michael Butler

Annemarie Strong

Desmond Spencer

Jonathan Laredo

Hugh Piper (resigned 27.03.2025)

Lesley Hutchinson (resigned 27.03.2025)

### **Executive Management**

Stephen Veevers (Chief Executive)

Simon Hubble (Chief Corporate Services Officer and Deputy Chief Executive)

Kate Jenkins (Interim Director of People)

Joanna Grainger (Interim Director of Housing from 28.08.24)

Becky Speight (Chief Operating Officer from 17.03.25)

John Dickinson-Lilley (Interim Director of Communications from 18.08.25)

Kate Mc Sweeney (Interim Deputy Director of Comms & Fundraising from 13.06.24 until 13.06.25)

Tracy Hampson (Director of Operations until 20.06.2025)

Devia Gurjar (Chief Charity and External Affairs Officer until 19.07.24)

David O'Neill (Chief Commercial Housing Officer until 16.08.24)

### **Principle Bankers**

Lloyds Bank plc, Canons House, Canons Way, Bristol, BS1 5LL

### **External Auditor**

RSM UK Audit LLP, 25 Farringdon Street, London EC4A 4AB

**Internal Auditor**

Crowe UK LLP, 55 Ludgate Hill, London, EC4 7JW

**Solicitors**

TLT Solicitors, 1 Redcliff Street, Bristol. BS1 6TP

**Registered Office**

5/6 Brook Office Park, Folly Brook Road, Emerson's Green, Bristol, BS16 7FL

**Reference Details**

Hft Trust Limited often uses the abbreviation "Hft"

The Company is registered charity number 313069.

The company is registered in England and Wales as company number 734984.

## Welcome from the Chair of Trustees and Chief Executive

Against a backdrop of the social care sector continuing to operate under sustained pressure, Hft continues to deliver on its turnaround plan, with the headline figure of a 75% reduction in the deficit compared to 2022/23 and most importantly, demonstrable improvement in the care and support we provide.

The backdrop to social care, shaped by a persistent and systemic funding gap from statutory commissioners, increasing complexity of needs, and significant workforce shortages is well known. This pressure was intensified by the April 2025 uplift in the National Living Wage (NLW) of 6.7%, which follows an already unprecedented cumulative increase of 46% over six years. While the NLW rise is both welcome and deserved for our dedicated workforce, it has not been matched by proportional increases in statutory funding. In addition, the increase to Employer's National Insurance has added another 3% to our costs. Local Government funding rose by 6.8% in 2025/26—2.9% behind the cost increase—leaving many providers, including Hft, facing widening structural deficits. Despite this, Hft took the brave decision to be a better than NLW organisation, which has improved recruitment, retention and colleague wellbeing.

Against this challenging backdrop, and the difficult but necessary decisions the organisation made in 2023/24, Hft has made considerable progress on a comprehensive turnaround programme designed to secure financial sustainability while maintaining our mission to support learning disabled people to live the best life possible. We are pleased to report a significant improvement in financial performance for the year ended 31 March 2025, with the deficit reducing by a further £4.9m to £4.3m (2024: £9.2m). This reflects both underlying operational improvements and income maximisation.

The first phase of our turnaround focused on addressing business-critical areas. Agency usage was one of our most urgent priorities. Through more effective rostering, centralised controls, and contract renegotiations, agency expenditure fell from a peak of £1.7m per month in October 2024 to £0.6m by March 2025. In Q1 of the new financial year, costs averaged £0.6m per month—a reduction of nearly 50% against the prior year and more in line with sector averages for an organisation of this size.

Alongside this, we invested in permanent recruitment, achieving net growth in directly employed support workers. Our sector-leading retention rate of 20%—well below national averages—has enabled us to grow the workforce despite difficult conditions. These improvements have helped not only to reduce agency costs but also to create more consistent and higher quality support for the people we support.

Cost control has been another cornerstone of our turnaround. Following two rounds of restructuring in 2024, annualised payroll costs have fallen by £5.5m, predominately in central support or back office roles. Overall, central costs as a percentage of income have decreased from 11% in 2023/24 to 9% in 2024/25. We have also initiated targeted efficiencies in non-pay expenditure, reducing IT costs by £0.5m pa and identifying over £1m of further opportunities.

To complement this, we have pursued a disciplined programme of income maximisation. In 2024/25, a long-overdue reset of rents to sector benchmarks was performed which will result in an additional £1.8m of annualised income from April 2025. We also launched a formal process with Local Authorities and ICBs to seek fairer funding for underfunded services. In cases where significant deficits remain unresolved, we have reluctantly exited services or given notice on individual's packages of care. Going forward, we will continue to assess viability and seek uplifts to ensure a sustainable future, across our day opportunities and supported living services.

Stabilising Hft's long-term financial footing also required prudent decisions on financing. During 2024/25, we maintained the £5m bridging loan taken out at the end of March 2024 and increased our overdraft facility with Lloyds Bank to £7m, providing necessary liquidity. Property disposals, including the sale of strategic sites and smaller surplus assets, generated £1.7m in gains.

Importantly, our focus on financial recovery has not detracted from our commitment to care quality. However, like many providers, we saw a dip in our Care Quality Commission (CQC) ratings—from an average of 91.4% good or outstanding services, to 83% in 2023/24. We responded with urgency. Through improved governance, internal audits, leadership development, and a new system of unannounced inspections, we have already recovered to 84% as of Q1 2025/26. Quality improvement remains one of our four strategic priorities and will continue to be subject to rigorous scrutiny and activity in 2025/26. There were a number of serious legacy issues on quality resulting from this historical period of deterioration. The most serious incident resulted in a CQC investigation and prosecution for a regulatory breach from June 2022. The organisation is confident that it is well started on its quality improvement turnaround, in parallel to its financial recovery.

The progress we have made is significant, but we recognise that achieving a return to surplus will take time. That is why a second major focus of our turnaround plan has been ensuring we are adequately resourced. In 2023, we liquidated our investment portfolio to fund our recovery. The remaining capital within Hft now sits within designated property assets, and the flexibility afforded by our new financial arrangements ensures we can navigate the remaining deficit period with confidence to bring us back to surplus, which is planned and expected to happen in the 2026/27 financial year.

Beyond finance and operations, our impact continues to grow. In January 2025, Hft launched its 9th Sector Pulse Check report—the third in partnership with Care England—which received extensive media coverage and reaffirmed our standing as a leading national voice in learning disability care. Fundraising has remained resilient, with strong performance in legacy giving, individual donors, and corporate partnerships.

This year also saw the launch of our 10-year strategy: *Your Life, Your Way*. Developed through co-production with the people we support, their families, and colleagues, the strategy sets out a bold and ambitious vision for the next decade. It reaffirms our commitment to personalisation, innovation, inclusion, and campaigning

for change. It does this by embedding the core business principles of financial sustainability, workforce development, and organisational effectiveness.

As we look forward to 2025/26, we do so with no small sense of resolve and optimism. There is still work to do to return the organisation to break even and to a financially stable position—but the progress made is immense and tangible. We have reduced our deficit, improved our operating model, strengthened our systems, and stabilised our cashflow. We are deeply grateful to our colleagues, stakeholders, regulators, and partners for their support during this period.

Together, we are laying the foundations for a future where learning disabled people can truly live the best life possible.



Amanda Bunce

Chair of the Hft Board of Trustees



Steve Veevers

Chief Executive Officer

25/09/25

# Strategic Report: Objectives, Activities and Public Benefit

## **Aims and objectives**

Hft's principal objectives, as stated in the Memorandum and Articles of Association, are as follows:

- To enable and support people with learning disabilities to experience fulfilling lives in ways which maximise their involvement in the community and participation as citizens, and to exercise choice.
- To offer advice to and support for those who care for people with learning disabilities.

## **Principal activities**

The principal activities of Hft in support of these objectives are as follows:

- The care, support and personal development of adults with learning disabilities provided in supported living and residential settings, and both building-based and home-based day services.
- The delivery of care and support is based on what a 'best life possible' looks like and all the support we offer is aimed at helping people to live with more independence and choice; excellent person-centred support, ensuring we provide quality services that are continually improving through feedback from the people we support, their families and our Involvement team.
- The provision of housing solutions for the people we support; tenancies in flats and shared houses for those in supported living and comfortable, safe spaces for residential houses.

In addition to the funded activities, as a Charity Hft chooses to provide enhanced opportunities for adults with learning disabilities through services funded through fundraised and grant income:

1. Through Project SEARCH we support training opportunities to support people into internships and employment.
2. Our Luv2MeetU is a friendship and relationship service for people with a learning disability. Members have opportunities to make new friends, share interests and develop relationships, helping to combat isolation and loneliness and improve overall health and well-being.

## **Public benefit**

Hft's Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives, and in developing plans for future activities.

Hft is committed to using a combination of fundraised money and reserves in order to fund the vital charitable services and projects which are provided, over and above the day-to-day delivery of care services on behalf of local authorities.

## Achievements and Performance

Hft's vision is to create a future where learning disabled people can live the best life possible. We are on a mission to change the lives of learning disabled people for the better. So that they and their families can live the best lives possible. Providing personalised support, creating solutions for living independently. Coming together to campaign for positive change and fundraising for new opportunities and a bigger impact.

Following widespread consultation with learning disabled people, their families and our colleagues, we developed our 10-year strategy, 'Hft 2033: Your Life, Your Way', which was launched in 2024 and runs for 10 years from April 2024. Over the next 10 years to achieve our vision we're working on three priorities. To support learning disabled people and their families we will:

- Enable learning disabled people to explore opportunities, realise their potential and thrive
- Create solutions for living your life independently
- Change society so you can live your life, your way

Underpinning the three priorities are a number of business principles that will help us to succeed. These are strategic alignment, quality and governance, financial sustainability, workforce development, organisational effectiveness and growth impact and reach. Progress around these principles is detailed below.

### **Quality and Governance**

Our position of 83% of registered services rated as Good or Outstanding is in line with last year and remains above the sector average. During the year, one service improved its rating from Inadequate to Requires Improvement, reflecting our continued focus on quality. One service continues to be rated as Inadequate while we wait for CQC to reinspect. A robust improvement plan was drawn up and implemented following the original inspection.

To strengthen our quality oversight and accelerate progress, we are planning to appoint a Deputy Director of Quality and Inclusion. This strategic addition to the leadership team reflects our ongoing commitment to delivering high-quality, inclusive care across all services.

### **Financial sustainability**

The organisation, delivered an improved performance in 2024/25 with a £4.3m deficit compared to the £9.2m deficit in 2023/24. The key drivers of the improved performance are set out in the financial review on page 28.

The financial year 2022/23 incurred a £16.1m deficit which triggered an urgent Turnaround programme across the organisation which commenced in 2023/24. This, along with improving quality, was the key focus in 2024/25 and will remain the focus in 2025/26 in order to return the organisation to a small surplus and financial sustainability.

The key financial elements of the turnaround plan and progress made to date are as follows:

Priority	Action & Progress
Improving the quality of the care and support we provide	<p>Hft has established a national quality assurance framework, supported by enhanced training, oversight, development and support to our managers.</p> <ul style="list-style-type: none"> <li>- There is an internal and external quality checking routing, with “mock” CQC inspections conducted in response to areas of worry and periodic random inspections.</li> <li>- There is much improved reporting, data reporting &amp; intelligence and executive and board level oversight.</li> <li>- A national risk and compliance digital system has been rolled out that provides local, regional and national oversight of the quality of care.</li> </ul> <p>The next phase will be on improving the involvement and engagement of the people we support in their care.</p>
Agency reduction	<p>Agency usage continued to fall in 2024/25 from its peak in 2023 through a combination of tighter controls, improved rostering and renegotiation of rates with agencies. Agency cost as a % of total staff costs was 24% in autumn 2023, 12% average for the year 2024/25 and 9% on average for the first three months of 2025/26, close to the long-term objective to move the organisation towards sector averages of 5% - 8%.</p>
Permanent support worker recruitment	<p>The net increase in permanent support workers is on track against the target of an average of 15 per month. Strong staff retention levels were maintained throughout 2024/25 reducing the need for additional leaver replacement recruitment. The filling of vacancies with permanent support workers in turn enables further agency reduction.</p>
Overheads	<p>As a result of corporate and operational restructuring annualised staff costs have been reduced by £5.5m through programmes begun in 2023/24. Further review of non-pay overhead costs will continue into 2025/26. Support costs as a</p>

	% of income have reduced from 20% in 2022/23, 11% in 2023/24 to 9% in 2024/25 despite the decrease in underlying income.
Borrowing	In March 2024, the organisation entered into a £5m bridging loan agreement with an initial 2-year term. This was extended by an additional year in March 2025, with provisions allowing early repayment. The organisation has a £7m overdraft facility with Lloyds bank, which has been renewed through to August 2026. In September 2025 the organisation received an offer for a long-term financing facility of up to £10m. The offer has been approved by the lenders' credit committee, subject to satisfactory property valuations and the completion of other due diligence processes.
Repayment of borrowing	Repayment of the existing borrowing will come from the arrangement of long-term debt as discussed above or the disposal of properties.
Non-pay costs	The organisation successfully renegotiated its IT system contracts during the year, delivering annualised savings in excess of £0.5m. The turnaround programme to further reduce non-pay costs across the organisation will continue into 2025/26 with opportunities identified of >£1.0m in potential annualised savings. These include more efficient use of mobile telecommunications systems, reduced property and garden maintenance costs through contract renegotiation, and initiatives to lower the cost of running the head office building.
Income Maximisation	<p>Work continues to maximise care and support income focused on three areas:</p> <ul style="list-style-type: none"> <li>• An additional £1.5m in annualised income was generated in 2024/25 following a review of 108 residential contracts with Local Authorities that were identified as being below market rate. In a small number of cases contracts were terminated where a sustainable funding level could not be agreed. In 2025/26 the focus will be on renegotiating our supported living contracts with Local Authorities to ensure that they deliver financial sustainability.</li> <li>• The weighted average uplift secured for 2025/26 is currently 5.0% compared to a 6.8% increase in Local</li> </ul>

	<p>Government funding and a rise of 9.7% in Hft staff costs. Staff costs rose by 6.7% in April 2025 as a result of the increase in National Living Wage and by an additional 3% as a result of the increase in employer's national insurance contributions. This funding shortfall will put further pressure on the financial viability of contracts and additional funding will be required from the Local Authorities.</p> <ul style="list-style-type: none"> <li>• Review and reimplementation of business development to support the turnaround by growth where it can be delivered in a way which generates a small surplus.</li> </ul>
<p>Housing and Assets realisation</p>	<p>In order to provide funding for the operational deficit, £3.7m was obtained from property sales in 2024/25. An overage payment related to Milton Heights of £1.2m was received in January 2025 and the disposal of the Walberton property in February 2025 realised £2.5m. There will be a requirement for some further asset sales in 2025/26 to be able to fund the deficit in 2025/26 and to repay our borrowing.</p>

As a result of the turnaround programme the organisation has reduced the monthly operating deficit from a peak of £1.6m in Autumn 2023 to an average of £0.4m for the first three months of 2025/26.

Hft has continued to liaise with CQC Market Oversight and sought professional legal and accounting advice in relation to the options surrounding the turnaround and future of Hft.

## Our Colleagues

Our colleagues are central to our mission to change the lives of learning disabled adults for the better so that they can live the best life possible with personalised support. We know that delivering personalised care and support requires us to recruit and retain highly trained and motivated colleagues. Recruitment, retention and colleague experience are key strategic and operational priorities.

### Recruitment

We have worked hard to continue to increase the recruitment of support workers and Care and Support managers successfully, increasing established support workers by 15 FTE per month on average.

As well as improving the recruitment experience for candidates we have also made changes to our pay rates for support workers to ensure that all support workers are paid above the national living wage, with some

differentiation to reflect market rates in the South East that reflect the cost of living pressures faced in that region. This has supported us in reducing vacancy rates and agency usage in services where recruitment is the most challenging.

At the same time as increasing the number of our colleagues who are working directly with the people we support we have reduced the size of our central support teams by 30%. This supports our turnaround objectives. We are not complacent and continue to work relentlessly on filling vacancies.

### **Retention and Colleague Experience**

Retaining colleagues is important to us - we know that stable teams improve the daily experience of the people we support as well as our colleague teams. Our attrition rate is 20% which continues to be better than the sector average. We would like to increase our retention rates further and to enable us to understand our colleague experience we ran an organisation wide colleague survey to begin our Big Conversation with colleagues around the country. We worked hard to reach colleagues and increased our completion rates significantly. We know this places an expectation on us to respond to colleagues' views with action.

We are building on the responses to the survey by holding face to face conversations with colleagues in our services and teams across Hft. From this we are building an understanding of the most important areas that we can improve. To deliver these improvements we are building cross functional project groups to strengthen and improve Induction, Rostering, Recognition, Equity, Diversity and Inclusion and communication.

We are privileged to have a diverse group of colleagues who are strongly aligned to our mission. Our commitment to Equity, Diversity and Inclusion underpins our interactions with the people we support and our colleagues. We have begun a review of our Equity, Diversity and Inclusion tools and reenergised the Colleague Inclusion Group to ensure that we are focused on the actions that drive the most change.

We commit significant time and resource to our Partnership Forum, who are a network of elected representatives across all of our services. Underpinned by a formal agreement which provides a framework for leadership and all of our colleagues to participate in joint planning and decision-making processes, working as partners. The Partnership Forum are key partners in the Big Conversation and also play an important role in collective consultations.

## **Our Volunteers**

We have 31 volunteers contributing in many different roles across Hft – Mentors, Admins, Gardeners, Drivers, Group Facilitators, Lunchtime assistants, Receptionists or helping at day services.

Our volunteers support people to get into the community and access fun activities or to go away and enjoy a

short break or holiday. Whether it's supporting people with a learning disability to connect to others, or encouraging people to use their outdoor spaces, learning about growing food and plants, our volunteers help people we support to combat isolation, develop their skills and improve verbal and motor skills.

## Future Plans

Hft's future plans are focused on delivering on the turnaround programme to return the organisation to a financially sustainable position and ensuring that Hft has sufficient funds throughout the turnaround period. Where the focus has predominantly been on the financial and systems recovery of the charity in the previous periods, with modest improvements in our quality turnaround, the next period will have a much greater focus on quality, whilst still maintaining the good financial rigor and discipline that has been established.

Further details on the priorities for the turnaround are included above on page 9.

## Structure, Governance and Management

### **Report of the Board of Trustees**

The Board submits its Annual Report and the Financial Statements for the year ended 31 March 2025.

The Annual Report and Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Statement of Recommended Practice 'Accounting and Reporting by Charities' ('FRS102'), and the Charities Act 2011.

### **Constitution and status**

HF Trust Limited ("Hft") is a company limited by guarantee (registration number 734984) registered in England and Wales and a registered charity regulated by the Charity Commission (registration number 313069). The company's governing document is the Memorandum and Articles of Association dated 11<sup>th</sup> July 2024. Hft is a membership organisation and the liability of each member is £10. Trustees of Hft are either elected by the members or nominated and appointed by the Board of Trustees. Trustees are the Directors of the Company and are also members.

### **Organisational structure and governance Board**

The Board is made up of the Trustees of Hft appointed from the membership. They are a diverse board, drawn from a wide background of demographic attributes and characteristics who also bring together professional, commercial and charitable sector experience. The total number of Trustees cannot be less than eight or more than fourteen.

There were two categories of Trustee as at 31 March 2025. Changes were made to the Articles of Association at an Extraordinary General Meeting in July 2025.

a) Elected: A minimum of four and a maximum of seven members who are elected by the Members. Each Elected Trustee is elected for a three-year term and can serve three terms in total.

b) Nominated: A minimum of four and a maximum of seven members. Appointed by the Board for their expertise and can serve three three-year terms in total.

In addition, a member can be co-opted by the Board to fill an elected Trustee vacancy during the year. Co-opted Trustees, if they wish to continue, have to seek election at the first Annual General Meeting after their appointment.

Trustees cannot be members of staff and Trustees do not receive any remuneration or any other benefits from Hft other than payment of reasonable expenses.

The primary role of the Board of Trustees is to focus on strategic direction, growth and risk management. The Board of Trustees meets at least 4 times a year, and also holds an Annual General Meeting for members. By invitation, the Executive Board also attend the Board meetings, together with other members of the senior staff management team as appropriate.

Trustee succession planning is part of the annual governance cycle with vacancies being externally advertised. The tailored Trustee induction process ensures that each Trustee is provided with a thorough and comprehensive understanding of Hft, our history, our services and the world in which we operate. The induction programme is also designed so each new Trustee has a full understanding of their role, their legal, regulatory and other responsibilities; and is aware of the commitment required throughout their tenure. Trustees undertake an annual appraisal process, reflecting on individual and collective performance. The outcomes inform the Board's training and development programme which is delivered through a combination of e-learning, formal training courses and remotely held or face to face meetings. In addition, Trustees undertake a number of service visits each year.

## **Board Committees**

The Board of Trustees delegates some of its powers and functions to standing Committees, each of which covers specific aspects of the Charity's work.

Each Committee has its own terms of reference, and their reports are standing agenda items for the main Board meetings. Each Committee is chaired by a Trustee and has at least two other Trustee members. Senior members of staff are invited to attend meetings. The committee structure underwent a review and update in

2024 (having undergone a review in 2022) and as a result further changes were made to ensure the work of the committees more effectively supports that of the Board. Committees as at 31st March 2025 were as follows:

<p>Audit &amp; Risk Committee 'ARC'</p>	<p>At least 3 times a year</p>	<ul style="list-style-type: none"> <li>• To support the Trustees and subsidiary Board Members discharge their duties in relation to financial controls accountability, risk management, internal controls, and assurance.</li> <li>• Ensure all risk management, controls and assurance processes are effectively managed across the whole organisation, including the subsidiaries.</li> </ul>
<p>People, Remuneration and Nominations Committee 'P,R&amp;N'</p>	<p>At least 3 times a year</p>	<ul style="list-style-type: none"> <li>• To oversee the recruitment of Trustees, the Chair and the Chief Executive Officer. To approve the Chief Executive Officer's contractual terms and job descriptions including any bonus arrangements and to decide on any changes to the remuneration and eligibility for bonuses.</li> <li>• Review workforce remuneration and related policies.</li> <li>• Oversee the external governance review, usually every three years.</li> <li>• Review and recommend amendments to the Memorandum and Articles of Association to the Board and Members.</li> </ul>
<p>Operational Delivery Committee (OD)</p>	<p>At least 3 times a year</p>	<ul style="list-style-type: none"> <li>• Oversee the development of and the delivery of the Quality Strategy Hold strategic oversight for all aspects of safeguarding across the organisation.</li> <li>• Receive oversight and assurance of statutory and mandatory requirements relating to quality of care and support.</li> <li>• Ensure that there are effective structures and processes in place to maintain compliance with the Charity Committee, Care Quality Commission, Care Inspectorate Wales, and Care Inspectorate Scotland regulations, where relevant.</li> </ul>

		<ul style="list-style-type: none"> <li>• Develop, monitor and receive reports on key performance indicators. Oversee the operational delivery of the Housing Function.</li> <li>• Oversee the effectiveness of the communications, legacies and fundraising functions and other deliverables of the Charity and External Affairs Function.</li> </ul>
Finance Committee (FC)	At least 3 times a year	<ul style="list-style-type: none"> <li>• Oversee the development of Hft's Finance Strategy and monitor progress against it.</li> <li>• Ensure that Hft is compliant with law and regulation around financial management and accounting.</li> <li>• Monitor the Hft monthly financial accounts.</li> <li>• Review and recommend to the Board the annual budget.</li> <li>• Receive reports on commercial, contractual and property transactions.</li> <li>• Monitor the performance and risks of commercial activity against the cost benefit targets in the Financial Plan.</li> <li>• Monitor the commercial viability of existing contracts and where appropriate recommend changes.</li> <li>• Review proposed pay proposals for staff and recommend to the Board in conjunction with the Audit and Risk Committee.</li> <li>• Monitor the fundraising activities of the organisation.</li> </ul>

Other committees and working parties are established from time to time, in order to address specific issues.

The Trustees who served on the Board and its Committees during the financial year and in the period up to the date of signing are:

Name	Committee membership for the reporting period	Status	Appointed	Current status
Amanda Bunce (Chair)	FC, OD, P,R&N	Nominated	01/02/2018	Active
Paul Morgan	P,R&N	Elected	19/10/2018	Active

John Devapriam	OD	Elected	20/06/2019	Active
Irfana Malik	ARC	Nominated	19/09/2019	Active
Timothy Tamblyn	ARC	Nominated	27/05/2021	Active
Annemarie Strong	OD, P,R&N	Elected	27/03/2025	Active
Lesley Hutchinson	OD	Elected	09/11/2022	Resigned 27.03.2025
Hugh Piper	FC, PR&N	Nominated	26/05/2022	Resigned 27.03.2025
Michael Butler	FC	Nominated	19/12/2024	Active
Jonathan Laredo	FC	Elected	27/03/2025	Active
Desmond Spencer	ARC	Elected	27/03/2025	Active

Hft follows the Charity of Governance Code and endeavours to achieve high standards of governance. Hft's Board commission regularly reviews its governance framework to ensure that appropriate assurance is provided from across the organisation. In July 2025 Hft approved amendments to its governing documents and a revised committee structure that has clear lines of accountability and responsibility including, making revisions to its Standing Orders, Code of Conduct and the Articles of Association to strengthen succession planning.

### **Operational structure**

To deliver our strategy to improve and transform we have to ensure that we have the right leadership, governance and accountability at Executive level.

As at 31 March 2025 the Executive Board was made up of six Chief Officer roles lead by the Chief Executive Officer. The structure underpins a culture where all roles are recognised as contributing in equal measure to the success of Hft.

### **Related parties and subsidiaries**

At the balance sheet date and throughout the year, Hft had three, wholly owned subsidiary companies, which are incorporated in the United Kingdom. Luv2meetU Community Interest Company, undertakes the activities of a friendship agency for adults with learning difficulties. Hft Trading Limited and Hft Property Limited have made no commercial transactions during the year.

### **Equality and Diversity Policy**

Hft's policy states that; We value people equally without discrimination with regard to gender, sexual orientation, age, race, beliefs, culture, chosen lifestyle or disability. This approach applies to the people we support, their families, Hft colleagues and others with whom we have contact. We ensure that the policy is

implemented through clear statements in our recruitment advertisements and reinforced in the induction training. Specific training is given to any member of staff in a managerial or recruiter position ensuring that they are aware of the law and Hft's policies.

There are policies in place to:

- Give full and fair consideration to applications for employment with Hft made by disabled persons having regard to their particular aptitudes and disabilities.
- Continue the employment of, and arrange appropriate training for employees of the company who have become disabled persons during their employment.
- Support the training, career development and promotion of disabled persons employed by the company.

Our 'We're Listening' survey, conducted with all our employees has offered valuable insights into our employees' experience and includes critical data on Diversity and Inclusion which we will use as a benchmark to track our progress. The survey enables us to focus on inclusivity by understanding whether our colleagues feel a sense of belonging and are able to be themselves at work.

In 2022 Hft received our certification for Level 2 – Disability Confident Employer status as part of our new three-year Equity, Diversity and inclusion roadmap.

## Modern Slavery Statement

The Modern Slavery Act 2015 introduced changes in UK law focused on increasing transparency in recruitment and supply chains. It sets out a duty on larger organisations to publicly report steps they have taken to ensure their operations and supply chains are trafficking and slavery free. As such any organisation, including charities, which supply goods or services and have a minimum annual turnover of £36 million, are required to produce an annual Anti-Slavery and Human Trafficking Statement that is approved at the highest level in the organisation and is made available on the organisation's website. We take our responsibilities for remaining vigilant very seriously and our statement can be found at:

[www.hft.org.uk/ModernSlaveryActStatement](http://www.hft.org.uk/ModernSlaveryActStatement).

## Fundraising Activity and Standards

Fundraising plays a vital role in helping Hft support learning disabled adults to live the best life possible. We're grateful to everyone who chooses to back our work, whether through donations, fundraising events, grants, or corporate support.

We believe fundraising should always be carried out in a way that is fair, open, and respectful. That's why we adhere to the Code of Fundraising Practice and follow guidance from the Fundraising Regulator, the Charity Commission, and the Gambling Commission.

Everyone who fundraises for Hft receives clear guidance, helpful tools, and encouragement from our team. Whether it's taking part in a sponsored challenge or organising a local fundraiser, we're here to offer support every step of the way. Our Supporter Experience Team is also available by phone or email to answer queries, resolve concerns, and show our appreciation wherever we can.

Our fundraising work includes:

- Encouraging gifts in Wills to support our long-term mission.
- Collaborating with charitable trusts, foundations, and philanthropists.
- Partnering with businesses who share our values.
- Running appeals, raffles, and lottery draws.
- Inspiring individuals and communities to get involved in fundraising activities.

In the financial year ended 31 March 2025, we received three complaints linked to fundraising. These related to how we communicated with our supporters. Every concern was taken seriously, documented in line with our processes, responded to appropriately and reported where necessary. We welcome feedback and use it to learn and improve.

Protecting those who support us is a priority. We follow our internal Fundraising and Vulnerable People Policy to ensure no one is put under pressure to donate and that everyone's privacy and preferences are respected. And we are committed to giving people clear choices about how and when they hear from us.

Additional compliance steps taken in 2024/25 included:

- Renewing our Society Lottery License with South Gloucestershire Council.
- Upholding our Responsible Gambling Policy across all lottery activity.
- Ensuring zero breaches or concerns related to our gaming operations.

At Hft, we want people to feel positive and informed about their decision to support us. Ethical fundraising is central to how we operate, and to the trust we build with every supporter.

### Legacy and In-Memory Giving

We're especially grateful to those who remembered Hft in their Will. In 2024/25, we received **£1,160,254** from legacy gifts. These thoughtful contributions leave a lasting impact on the lives of learning-disabled adults.

### Community Fundraising

We continue to be inspired by the incredible efforts of local supporters and community groups who helped us raise over £80,000 in 2024/25. A special thanks to our Wrag Barn Golf Day which raised over £14,000 in 2024. The highest total raised in the event's 34-year history.

And thank you to the many individuals and organisations who gave their time, energy, and donations this year, including: Robins Foundation, Waitrose (Nailsea), Tesco, Co-op Local Community Fund, Leonard Laity Stoate Charity, Leicestershire Council, LHC Community Benefit Fund, Gary Kesner, Nicky Gilmour, Michael & Heather Stiff, Herts & Essex FSA, Gloucestershire FSA, Andrew & Liz Collinge, Ros & Christopher Cliff, Don Pilkington, Bea Hutchison, Tom Chattock, Claire Fowler, Teresa & Dave Mead.

## **Challenge Events**

Thank you to everyone who pushed themselves to support Hft through challenge events this year:

- At the 2024 TCS London Marathon, one of our largest-ever teams raised over £24,000, smashing our £17,000 target.
- Through our partnership with Choose a Challenge, university students from Swansea, Bangor, Nottingham, Nottingham Trent, Bath, Plymouth, and London City raised over £73,000 for Hft by taking on life-changing adventures.

Your energy and dedication help us go the extra mile, literally and figuratively.

## **Corporate Partnerships**

Corporate partners continue to play a key role in supporting our services. Thank you to the businesses and foundations that gave generously in 2024/25: Ronnie Lubner Charitable Foundation (Belron), Kingston Nursing Association, B&Q, Severn Trent, Impact Futures, Greencore Homes and Star Platforms.

## **Major Donors**

We're so grateful to our major donors, whose generous support this year has enabled us to expand and enhance our services. Thank you for your belief in our work and the impact your support has on learning disabled adults' lives.

## **Trusts and Foundations**

We're honoured to receive support from a wide range of trusts and foundations. Their funding helps us deliver essential services across the country.

Thank you to the following (and to those who prefer to remain anonymous):

Bath Disability Trust, Blair Foundation, Charles Brotherton Charitable Trust, City of Bradford Metropolitan District Council, D G Lynall Foundation, G S Plaut Charitable Trust Ltd, Helen Roll Charity, Newstead Charity, Pat Ripley's Charitable Trust, Redditch Aid in Sickness Fund, Shackleton Foundation, The Bassil Shippam and Alsford Trust, The Cecil Howman Charitable Trust, The Cecil Rosen Foundation, The Dorothy Bayles Trust, The Downton Banister Trust, The Earmark Trust, The Froxfield Charitable Trust, The Gerald Micklem Charitable Trust, The Gilbert Edgar Trust, The Maud Beattie Murchie Charitable Trust, The National Lottery Community Fund, The Norton-Freeman Charitable Trust, The Patrick and Helena Frost Foundation, The Princess Anne's Charities, The Privy Purse Charitable Trust, The Rowney Trust.

## **Thank You**

To every donor, fundraiser, partner, and ally. Thank you. Whether you gave time, money, or encouragement, you helped change lives. Together, we're enabling learning disabled adults to live the best life possible. Thank you so much.

## Investments

Total invested assets decreased from £0.2m to £0.1m, primarily driven by a disposal of investments in order to support the organisation through the turnaround.

## Environmental Policy and Actions

Due to the continued focus on turnaround during the year approval and publication of Hft's first Sustainability Strategy Paper has been rescheduled for 2025/26 which will enable further review to ensure it reflects realistic sustainability targets over the next 5 years.

Our new development at Ironbridge has been fitted with technology to lower our carbon footprint, future proof the building and save money on fuel bills. For example, air source heat pumps, photo-voltaic technology, EV chargers and heat recovery ventilation units to improve air quality.

### Waste and Recycling

We continue to monitor our waste in more detail to understand how it is being disposed, ensuring we can limit our environmental impact. As per the waste hierarchy, we strive to reduce our total waste, and to recycle and compost as much as possible before sending waste to incineration and landfill.

During 2024/2025 the amount of total waste collected from our services and offices amounted to 215.224 tonnes of which:

- 2.058 Tonnes (0.96%) AD – Anaerobic Digestion, this how our food waste is treated and disposed.
- 151.207 Tonnes EFW (70.26%) – Energy from waste turned into a useable form of energy.
- 59.90 Tonnes Recycled (27.83%) - Items such as paper and cardboard packing and plastic bottles which can be used to make new packaging.
- 2.059 Tonnes Landfill (0.96%) - Items that cannot be used for recycling or energy and sent to registered landfill sites across the UK.

### Carbon policy and energy and greenhouse gas report

As part of Streamlined Energy & Carbon Reporting (SECR), we are required to report on our annual energy and greenhouse gas emissions. Hft has appointed SHIFT, a leading environmental assessment company with a team of Chartered environmentalists, to independently review its Greenhouse Gas (GHG) emissions in accordance with the UK Government's environmental reporting guidelines.

The tables below show the total emissions from Scope 1, 2 and 3 sources as well as a breakdown comparison between the 2023/2024 and 2024/2025 financial year emissions and carbon intensity ratios.

Global GHG Emissions & Energy Use Data			
	1st April 2024 - 31st March 2025	1st April 2023 - 31st March 2024	Change
Scope 1	1,099.70 tonnes CO <sub>2e</sub>	928.64 tonnes CO <sub>2e</sub>	18.42%
Scope 2	547.66 tonnes CO <sub>2e</sub>	556.84 tonnes CO <sub>2e</sub>	-1.65%
Scope 3	198.65 tonnes CO <sub>2e</sub>	179.82 tonnes CO <sub>2e</sub>	10.48%
<b>TOTAL</b>	<b>1,846.01 tonnes CO<sub>2e</sub></b>	<b>1,665.30 tonnes CO<sub>2e</sub></b>	<b>10.85%</b>

Scope 1 carbon equivalent emissions have increased due to the inclusion of emissions for transport fuel that were not reported in 2023/24. After adjusting for these emissions (175.42 tonnes) the carbon emissions for 2024/25 are in line with the emissions in 2023/24.

The table below provides more detail into the carbon emissions of Hft during the 2024/2025 financial year within the different scopes.

Reported emissions and energy use data for 1 <sup>st</sup> April 2024 – 31 <sup>st</sup> March 2025		
	Current reporting year 1 <sup>st</sup> April 2024 – 31 <sup>st</sup> March 2025	Comparison year 1 <sup>st</sup> April 2023 – 31 <sup>st</sup> March 2024
Emissions from combustion of gas to CO <sub>2e</sub> (Scope 1) [mandatory]	<b>924.28 tonnes CO<sub>2e</sub></b> 0.82 tonnes CO <sub>2e</sub> office usage 923.46 tonnes CO <sub>2e</sub> landlord supply	<b>908.10 tonnes CO<sub>2e</sub></b> 0.91 tonnes CO <sub>2e</sub> office usage 907.19 tonnes CO <sub>2e</sub> landlord supply
Emissions from combustion of fuel for transport purposes (Scope 1) [mandatory]	<b>175.42 tonnes CO<sub>2e</sub></b>	<b>20.54 tonnes CO<sub>2e</sub><sup>1</sup></b>
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) [mandatory]	<b>150.24 tonnes CO<sub>2e</sub></b>	<b>131.64 tonnes CO<sub>2e</sub><sup>2</sup></b>
Emissions from purchased electricity (Scope 2, location-based) [mandatory]	<b>547.66 tonnes CO<sub>2e</sub></b> 25.78 tonnes CO <sub>2e</sub> office usage 521.88 tonnes CO <sub>2e</sub> communal areas  <i>See below for transmission and distribution losses</i>	<b>556.84 tonnes CO<sub>2e</sub></b> 26.96 tonnes CO <sub>2e</sub> office usage 529.54 tonnes CO <sub>2e</sub> communal areas 0.34 tonnes CO <sub>2e</sub> plug-in hybrid charging  <i>See below for transmission and distribution losses</i>
Total gross CO <sub>2e</sub> based on above [mandatory]	<b>1,797.61 tonnes CO<sub>2e</sub></b>	<b>1,617.12 tonnes CO<sub>2e</sub></b>
Energy consumption used to calculate above emissions: kWh [mandatory] – optional to provide separate figures for gas, electricity, transport fuel and other energy sources	Gas: 5,053,453 kWh Electricity: 2,645,075 kWh Transport fuel: 705,039 kWh Business travel: 623,178 kWh <b>Total: 9,026,745 kWh</b>	Gas: 4,964,216 kWh Electricity: 2,691,130 kWh Transport fuel: 83,367 kWh <sup>3</sup> Business travel: 623,768 kWh <b>Total: 8,362,481 kWh</b>
Intensity ratio: to CO <sub>2e</sub> gross figure based on mandatory fields above e.g. £100,000 revenue [mandatory]	2.08 tonnes CO <sub>2e</sub> per £100,000 revenue	1.83 tonnes CO <sub>2e</sub> per £100,000 revenue

<sup>1</sup>Emissions for transport fuel were not reported for the previous reporting period (2023/2024).

<sup>2</sup> The business travel figure for the 23/24 SECR report has been updated this year, for a more accurate comparison against this year's data. The 23/24 report reported business mileage as transport fuel, which has been determined this year as business mileage, therefore the figure has been updated.

<sup>3</sup>Energy for transport fuel was not reported for the previous reporting period (2023/2024).

<b>Methodology [mandatory]</b>	<b>SHIFT methodology</b>  <a href="#">SECR Reporting   SHIFT Environment</a>  <b>Using Defra 2024 Conversion Factors in line with Environmental Reporting Guidelines (2019) as the majority of the financial year falls into the calendar year 2024. Comparison data from the previous year's SECR used Defra 2023 Conversion Factors.</b>
--------------------------------	--

## Internal Controls Statement

The HF Trust Limited (Hft) Board has overall responsibility for establishing and maintaining the whole system of internal control for Hft and its subsidiaries and for reviewing its effectiveness.

The Hft Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of Hft's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which is embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which Hft is exposed and is consistent with Turnbull principles.

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes the items listed below:

- Identification and evaluation of key risks.
- Management responsibility has been clearly defined for the identification, evaluation and control of risks.
- There is an ongoing process of management review in the different areas of Hft's activities.
- The Executive Board considers and receives reports on significant risks facing Hft and is responsible for reporting any significant changes affecting key risks.
- The Audit & Risk Committee has responsibility for monitoring progress to mitigate risk which it does at every meeting.

- Each Committee of the Board on its area of responsibility considers opportunities and risk; providing challenge and instruction to the Executive, and where appropriate escalates risks to the Audit & Risk Committee and to the Hft Board.

As a commercial business, providing care, support and housing to people while being a registered charity, Hft operates with several themed risks being managed at the corporate level.

The Board confirms that there has been no breakdown in internal control resulting in material losses, other than the contingencies or uncertainties which would require disclosure in the financial statements during the year.

Principal Risks to Hft	Controls in place to mitigate these risks
Failure to provide safe, high quality care and support for the people we support in line with our obligations regarding Duty of Care.	<ul style="list-style-type: none"> <li>• Policies and operating standards in place.</li> <li>• Registered managers in place who are responsible for the delivery of care and support.</li> <li>• Leadership structure in place with leaders who have accountability for delivering care and support services.</li> <li>• Internal quality assurance framework.</li> <li>• External quality assurance via selective 'mock CQC' assessments</li> <li>• Mandatory training completion.</li> <li>• Incident reporting and complaints systems in place.</li> <li>• Service Development team to support service turnaround.</li> </ul>
Failure to generate sufficient income and maintain economic solvency and cashflow leaving Hft unable to achieve its financial commitments or deliver services to people we support.	<ul style="list-style-type: none"> <li>• Turnaround programme in place targeted at delivering a return to financial sustainability for the organisation. This includes agency reduction, permanent support worker recruitment, reduction in corporate overheads, increasing income through renegotiation of historically low rates with local authorities, ensuring sufficient finance is available through loans and overdrafts, ensuring there is a plan in place to finance the organisation in the longer term.</li> <li>• Finance reporting statements, ownership and accountabilities.</li> <li>• Regular reporting financial KPI's against turnaround metrics.</li> <li>• Regular cash-flow forecasting.</li> </ul>

	<ul style="list-style-type: none"> <li>• Financial systems and data management used to provide timely visibility of financial performance across the organisation.</li> <li>• Business case evaluation and sign off.</li> <li>• Review of performance with the regulator and other key stakeholders.</li> </ul>
<p>Failure to recruit, retain and invest in an effective workforce which results in increased agency spend and reduced quality.</p>	<ul style="list-style-type: none"> <li>• New management structure in place across Care and Support to strengthen operational management</li> <li>• Investment in a centralised recruitment model including new senior recruitment roles.</li> <li>• Ongoing pay reviews including market benchmarking to ensure pay is competitive against other providers and relevant sectors.</li> <li>• Work ongoing to streamline recruitment process</li> <li>• EAP programme and Hardship fund.</li> <li>• Range of employee benefits introduced to support the retention of staff.</li> <li>• Leadership meetings and Colleague inclusion group.</li> </ul>
<p>Failure to imbed appropriate management and governance systems.</p>	<ul style="list-style-type: none"> <li>• Recruitment, induction and training processes.</li> <li>• Management structures supported by policies and procedures.</li> <li>• External support to improve risk and governance frameworks.</li> <li>• Schedule of matters to include review and monitoring of regulation and compliance.</li> </ul>

## Directors' and Officers' Liability Insurance

Hft and its subsidiary companies have insurance to cover Trustees' and Officers' liability to the value of £10m, as permitted by the Companies Act 2006 at a cost of £40k (2024: £40k).

### **Consideration of the directors' Responsibilities**

#### **Section 172 Statement:**

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

#### **The likely consequence of any decision in the long term**

Our strategic objectives are part of a long-term strategy to improve the lives of people with learning disabilities both now and in the future. We review external developments and policy, and horizon scan for future trends, and ensure that our plans can be adapted as needed to meet changing circumstances and ensure sustainability.

#### **The interest of the company's employees**

Our employees are vital to Hft and we regard on-going, regular engagement with them as a top priority. Employee engagement is important to us at Hft. We involve the Partnership Forum at early stages in decision making and they meet regularly with the Executive team to share thoughts, plans and opinions. During the year they are consulted and their approval accredited on new policies, strategy, wellbeing, retention, face to face training and employee awards.

#### **The need to foster the company's business relationships with suppliers, customers and others**

Our relationship with partners, funders, suppliers, local authority commissioners, the people we support and their families are key to our effectiveness. We work with them closely to develop mutually beneficial relationships.

#### **The impact of the company's operations in the community and the environment**

We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. More information on how we care for the environment can be found in our Carbon Policy and Energy and Greenhouse Gas Report at page 22.

#### **The desirability of the company maintaining a reputation for high standards of business conduct**

Our reputation and public trust in Hft are fundamental to our future success. We use our organisational values and behaviours in our requirement for and training of both employees and volunteers to ensure that we maintain high standards. We lay out our expectations within our colleague code of practice and discuss

performance during supervisions, continuing conversations and appraisals. Our procurement and ethical policies and procedures ensure that our values also are a key part of our selection of partners and suppliers. We are regulated by the Care Quality Commission and the Charity Commission and our CQC results are publicly available.

### **The need to act fairly as between members of the company**

We aim to be a fully inclusive organisation which is relevant and accessible for anyone with a learning disability, their families and our colleagues. We will not unfairly discriminate against anyone.

## **Financial Review**

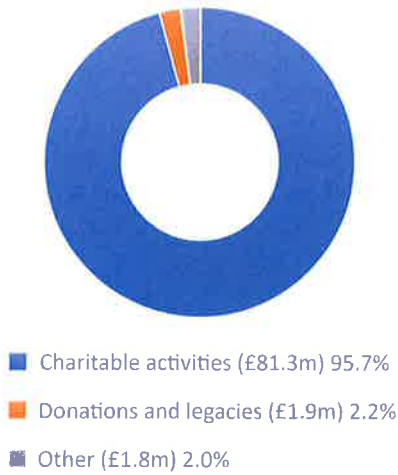
### **Income**

Income from charitable activities includes service fee income, special projects and community interest company income. In addition to this are trading activities, fundraising, and investment income. Total income from organisational activities decreased to £85.0m (2024: £89.4m), with a decrease in charitable activities of £1.8m, a £0.6m increase in donations and legacies and a £3.2m decrease in other income which is principally gains on property disposals.

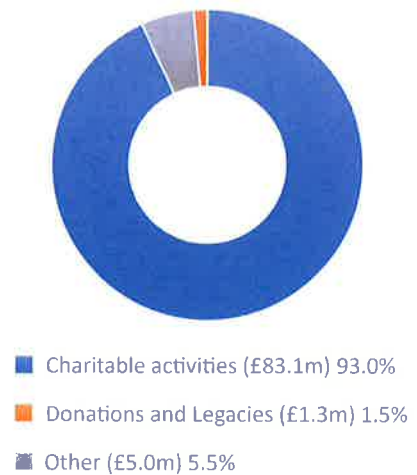
Fee income from the provision of care services to Local Authorities in the UK in the year of £81.3m represents a decrease of 2% on 2024: £83.1m. The decrease is principally due to service exits (£4.2m) and reduced care packages (£2.2m). Service exits in Oxfordshire and Walberton reduced income in 2025/26 compared to 2024/25 by £2.9m and £1.1m respectively. Care packages reduced by £1.9m as leavers were either not replaced or replaced with smaller care packages. As part of our financial Turnaround programme we have undertaken a review of our contracts that are not providing funding to cover our costs. During the year ended 31 March 2025 we focussed on our residential contracts and have achieved additional income of £1.5m from this review but had to make the difficult decision to hand back a small number of services. Annual fee uplifts in hourly rates from Local Authorities outside of this review generated additional income of £3.3m. These uplifts were not sufficient to cover the inflation cost increases of which the biggest driver was the 10% increase in National Living Wage. Fee income delivered 96% of total income compared to 93% in 2023/24.

The sale of our Walberton property during the year and the receipt of an overage payment related to a prior year sale generated a gain on disposal of £1.7m (2024: £4.9m). Our gains on disposals have been driven by the sale during the year of our property at Walberton together with receipt of an overage payment relating to a legacy property sale. The sale of the Walberton property was driven by the need to exit a loss-making service that would be difficult to turn around and to generate cash funding while the organisation runs at an operational deficit.

2025 Income Total £85.0m



2024 Income Total £89.4m



## Expenditure

Total expenditure in the year to 31 March 2025 was £89.2m, a £9.2m decrease on 2024 (2024: £98.4m).

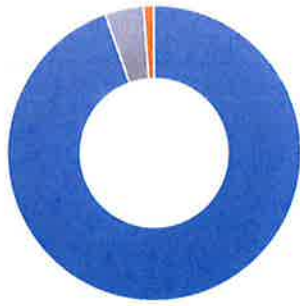
Care and Support services costs decreased by £4.6m (5% reduction from 2023/24) in the year for which the key drivers were the decrease in the agency hours required decreasing the agency cost burden by £5.8m excluding the service exits and decreased staff costs from service exits of £4.0m. These decreases were partially offset by staff pay increases due to pay inflation including the National Living Wage increase from £10.42 per hour to £11.44 per hour.

Support costs before interest payments reduced significantly in the year by £1.7m (19%) from £9.1m to £7.4m as a result of the turnaround programme with reductions in both staffing and non-staffing costs.

Exceptional costs (included within other activities below) decreased by £0.1m to £1.6m in 2024/25. These costs included redundancy and legal and professional costs relating to the turnaround.

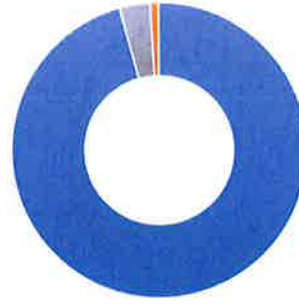
Interest payments increased in the year from £0.1m to £0.8m reflecting the increased interest costs on the £5m bridging loan taken out in March 2024.

2025 Expenditure Total £89.2m



- Charitable activities (£84.4m) 94.6%
- Fundraising (£1.0m) 1.1%
- Other Activities (£3.8m) 4.3%

2024 Expenditure Total £98.5m



- Charitable activities (£94.3m) 95.7%
- Fundraising (£0.9m) 0.9%
- Other Activities (£3.3m) 3.4%

The income and costs and surpluses of the core operational services are as follows:

	2025	2024
	£'000	£'000
Services income (note 3b)	81,255	82,887
Services direct costs (note 8)	(78,246)	(83,096)
<b>Services surplus/(deficit) before support costs</b>	<b>3,009</b>	<b>(209)</b>
Support costs (note 8)	(6,174)	(10,428)
<b>Services deficit after support costs</b>	<b>(3,165)</b>	<b>(10,637)</b>

As the above table shows the performance of the core operational services (excluding exceptional items and interest costs) improved by £7.5m compared with the prior year with the turnaround programme positively impacting the financial performance of the services compared to 2023/24. Revenue decreased by £1.6m whilst direct costs decreased by £4.9m and support costs decreased by £4.2m.

A range of performance indicators are used to measure financial and operational activity and to highlight trends and potential risks. Throughout the year, the following key performance indicators are monitored and reported monthly, these are the annual comparisons:

	2025	2024
Total Employment Costs (TEC) as % income	74	70
Agency costs as % Total Employment Costs	12	21
Fundraising income v expenditure	2:1	3:2
Corporate Support Cost as % of Income	9%	11%

Fee income from local authorities decreased reflecting the impact of the service exits and reduced care packages which were not fully offset by the increases in fee increases from the Local Authorities. Fundraising income was higher than the prior year due to the receipt of two large legacy donations. Fundraising expenditure decreased resulting in an overall increase in net fund-raising contribution of £0.5m. Support costs excluding interest fell 20% year on year reflecting the turnaround restructuring programme.

### **Trading activity**

The principal component of trading activities is the sale of seasonal cards and gifts which remains inactive within the year. The company is dormant with no trading activity within the year (2024: £nil).

### **Balance Sheet**

Reserves have decreased by £4.3m as a result of the year's activities; the main changes in the balance sheet during the year are as follows:

- Tangible fixed assets decreased by £1.8m due to the following:
  - Disposal of one property with a Net Book Value of £2.0m
  - Additions of two properties at Ironbridge with a book value of £0.6m. The receipt of these two properties was a non-cash transaction forming part of the consideration recognised in 2023/24 for the Ironbridge sale. The debtor associated with the Ironbridge consideration has been reduced accordingly.
  - Increase in impairment charge due to a review of property valuations of £0.3m
- Investments decreased by £0.1m due to the liquidation of investments in order to support the turnaround programme
- Cash decreased by £0.5m due to the operating deficit incurred.
- Debtors falling due within one year decreased by £2.0m, with trade debtors falling by £1.5m due to improved debt collection and with the Ironbridge consideration decreasing by £0.6m due to the handover of two properties,
- Creditors falling due within one year decreased by £0.7m due to a decrease in deferred income as a result of changes to contract terms reducing advance billings amounts.
- In March 2025 agreement was reached with the lender of the bridging loan to extend the repayment date by one year to March 2027 with no early repayment penalty.
- The organisation has a £7m overdraft facility with Lloyd's but at the end of 31 March 2025 the overdraft was not drawn down as the Lloyds Bank account was in positive funds.

### **Reserves**

At 31 March 2025 the total funds of the charity were £44.5m of which £16.0m were restricted leaving a total of unrestricted funds of £28.5m.

The general reserve policy states that there should be sufficient reserves to cover 3 months payroll which amounts to £16.2m. Due to the operational challenges faced by Hft in the year ended 31 March 2025 this

policy has not been met and at 31 March 2025 the general reserves are in a deficit position of £10.5m (2024: deficit of £7.9m). However, at 31 March 2025 within the designated funds balance there is £39.0m of realisable property (2024 £40.4m) and in addition Hft has an overdraft facility with Lloyds of £7m.

As explained in the note to the financial statements the Trustees have designated £39.0m of funds for fixed assets and capital projects, the reduction of £1.4m reflects the disposal of land and buildings during the period, all depreciation and impairment charges which are offset by the transfer from unrestricted funds of the Ironbridge properties. The undesignated funds balance decreased in the year to a deficit balance of £10.5m reflecting the operational deficit. The turnaround programme discussed in the Trustees' Report will return the undesignated funds balance to a surplus. The designated funds are made up of property assets originally held for the long term to provide care to the people we support but the requirement to hold these properties is under review as part of the turnaround project and where appropriate, certain properties will be considered for potential sale.

### **Investment powers, policy and objectives**

Investment powers are governed by the Articles of Association, which permit the funds to be invested in the manner shown in note 12 to the financial statements. As part of turnaround financing further investments were disposed of in the year totalling £0.1m, to leave a balance of £0.1m remaining invested.

### **Going Concern**

The Trustees have reviewed the group's and the charity's forecasts and projections to 31 March 2027 covering a period exceeding 12 months from the date of signing of the financial statements.

In the 2022/23 year, the Trustees agreed to a turnaround programme which is intended to return the organisation to a financially sustainable operating surplus. This programme had a number of elements to it which included improving operational performance from both a financial and quality perspective, ensuring there was sufficient liquidity to deliver the turnaround and ensuring there is a plan to repay the debt and ensure the organisation is sustainable in the long term. As set out in the financial sustainability section on page 9 the organisation is on track against the key turnaround objectives. It has reduced the monthly operating deficit by 75% and has a plan to return the organisation to a surplus by Q1 of 2026/27 financial year. Therefore, as the organisation has now established a 2-year track record of delivering on its turnaround plans the Trustees consider there is no further significant doubt on the ability of the organisation to return the organisation to surplus.

The organisation has a £5m bridging loan, a £7m overdraft and is in the process of entering into a long term £10m loan. The lender has obtained approval from its own credit committee to make this loan, terms and conditions have been agreed and the loan is currently going through legal and professional due diligence and valuations of the properties which will form the security. This will enable it to repay the bridging loan,

reduce interest costs and provide sufficient funds to complete the turnaround. Accordingly, the going concern basis has been used in preparing these financial statements.

However, the loan is expected to complete in late 2025 after the signing of these accounts. Therefore, whilst strong progress has been made against the turnaround plan and the risks are significantly reduced from the prior year, the Trustees consider there is material uncertainty in relation to the ability to secure the required funding in line with the timetable required before existing funding facilities are exhausted in the next 12 months, which may cast significant doubt on the Charity's ability to continue as a going concern. Once the new long-term loan completes then the Trustees consider there will no longer be a material uncertainty on the ability of the organization to secure sufficient funding for the 12 months period from the signing of the financial statements.

## Statement of Trustees' responsibilities

The Trustees (who are also directors of HF Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (incorporating the Strategic Report and Trustees' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these 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;
- make judgments 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 charitable 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 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 auditor is 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 auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Report of the Board and Incorporated Strategic Report were approved and signed on behalf of the Board of Trustees by:



**Amanda Bunce**

**Chair**

Date 25/09/25

# Independent Auditor's Report to the members of HF Trust Limited

## Opinion

We have audited the financial statements of HF Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Group and Charitable Company Balance Sheets, the Group and Charitable Company Cash Flow Statements and notes to the financial statements, including 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 group's and the parent charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the trustees of the group and parent charitable company consider there to be a material uncertainty in respect of the ability to secure the completion of £10m loan in late 2025 before existing funding facilities are exhausted in the next 12 months, and therefore ability to operate within financing facilities. As stated in note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

## **Other information**

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

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

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

## **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 33, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be

in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Care Act 2014. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and performing substantive test of details over income.

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

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

NICHOLAS SLADDEN (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street,

London,

EC4A 4AB

Date 26/09/25

# Consolidated Statement of Financial Activities

for the year ended 31 March 2025

(including Consolidated Income and Expenditure Account)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2025 £'000	Total 2024 £'000
<b>Income and endowments from:</b>					
Donations and legacies	3	1,539	354	1,893	1,275
Charitable activities	3	81,325	-	81,325	83,130
Investments	12	3	-	3	8
Other	7	1,744	-	1,744	4,949
<b>Total</b>		<u>84,611</u>	<u>354</u>	<u>84,965</u>	<u>89,362</u>
<b>Expenditure on:</b>					
Raising funds	8	999	-	999	866
Charitable activities	8	83,779	641	84,420	94,245
Other	8	3,822	-	3,822	3,339
<b>Total</b>	8	<u>88,600</u>	<u>641</u>	<u>89,241</u>	<u>98,450</u>
Gains/(Losses) on investments	12	(5)	-	(5)	(78)
<b>Net expenditure</b>	9	<u>(3,994)</u>	<u>(287)</u>	<u>(4,281)</u>	<u>(9,166)</u>
<b>Transfers Between Funds</b>	22	(17)	17	-	-
<b>Net movement in funds</b>		<u>(4,011)</u>	<u>(270)</u>	<u>(4,281)</u>	<u>(9,166)</u>
Total funds brought forward	19	<u>32,506</u>	<u>16,226</u>	<u>48,732</u>	<u>57,898</u>
<b>Total funds carried forward</b>	19	<u>28,495</u>	<u>15,956</u>	<u>44,451</u>	<u>48,732</u>

## Balance Sheets

As at 31 March 2025

	Notes	Group		Company	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
<b>Fixed assets</b>					
Intangible assets	11 (a)	398	637	398	637
Tangible assets	11 (b)	49,399	51,178	49,399	51,178
Investments	12	119	222	119	222
<b>Total fixed assets</b>		<b>49,916</b>	<b>52,037</b>	<b>49,916</b>	<b>52,037</b>
<b>Current assets</b>					
Debtors: amounts falling due within one year	13	6,921	8,855	6,916	8,852
Cash at bank and in hand	14	123	643	13	548
<b>Total current assets</b>		<b>7,044</b>	<b>9,498</b>	<b>6,929</b>	<b>9,400</b>
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	15	8,989	9,656	8,892	9,578
<b>Net current liabilities</b>		<b>(1,945)</b>	<b>(158)</b>	<b>(1,963)</b>	<b>(178)</b>
<b>Total assets less current liabilities</b>		<b>47,971</b>	<b>51,879</b>	<b>47,953</b>	<b>51,859</b>
Debtors: Amount falling due after more than one year	13	2,250	2,383	2,250	2,383
<b>Creditors</b>					
Amounts falling due after more than one year	15	5,250	5,250	5,250	5,250
Provisions for liabilities	16	520	280	520	280
Pension liability	23	-	-	-	-
<b>Net assets</b>		<b>44,451</b>	<b>48,732</b>	<b>44,433</b>	<b>48,712</b>
<b>The funds of the group/company</b>					
Restricted funds	19/22	15,956	16,226	15,956	16,226
General reserve	19	(10,496)	(7,878)	(10,514)	(7,898)
Designated funds	19/21	38,991	40,384	38,991	40,384
<b>Unrestricted funds</b>	19	<b>28,495</b>	<b>32,506</b>	<b>28,477</b>	<b>32,486</b>
<b>Total funds</b>	20/21	<b>44,451</b>	<b>48,732</b>	<b>44,433</b>	<b>48,712</b>

As permitted by s408 Companies Act 2006, the Charity has not presented its own Income and Expenditure and related notes. The Charity's deficit for the year was £4,279k (2024 – deficit £9,169k).

The financial statements on pages 39 to 70 were approved and authorised for issue by the Hft Limited Board of Trustees and signed on its behalf by:

**Amanda Bunce**

Chair

A handwritten signature in black ink, appearing to read 'A. Bunce', written over a dotted line.

Date ..... 25/09/25 .....

# Cashflow Statement

for the year ended 31 March 2025

	Notes	Group		Company	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
<b>Cash flows from operating activities:</b>					
Net cash provided by operating activities		<u>(3,506)</u>	<u>(14,832)</u>	<u>(3,521)</u>	<u>(14,839)</u>
<b>Cash flows from investing activities:</b>					
Proceeds from sale of property, plant and equipment		3,726	2,749	3,726	2,749
Purchase of property, plant and equipment		(838)	(860)	(838)	(860)
Purchase of intangible assets		-	-	-	-
Proceeds from sale of investments		98	6,656	98	6,656
Net cash used in investing activities		<u>2,986</u>	<u>8,545</u>	<u>2,986</u>	<u>8,545</u>
<b>Cash flows from financing activities:</b>					
Repayments of borrowing		-	-	-	-
Cash inflows for new borrowing		-	5,000	-	5,000
Net cash used in financing activities		<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Change in cash and cash equivalents in the reporting period		<u>(520)</u>	<u>(1,287)</u>	<u>(535)</u>	<u>(1,294)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>643</u>	<u>1,930</u>	<u>548</u>	<u>1,842</u>
Cash and cash equivalents at the end of the reporting period		<u>123</u>	<u>643</u>	<u>13</u>	<u>548</u>
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>					
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		(4,281)	(9,166)	(4,339)	(9,169)
<b>Adjustments for:</b>					
Depreciation and amortisation charges	11	1,117	1,127	1,117	1,127
Investment management charges	12	-	23	-	23
Losses on investments	12	5	78	5	78
Returns on investment and servicing of finance		-	-	-	-
Profit on the sale of tangible fixed assets		(1,716)	(4,940)	(1,716)	(4,940)
Fixed asset impairment	11 (b)	329	(56)	329	(56)
Decrease in stock		-	5	-	-
Decrease/ (increase) in debtors		1,467	(1,238)	1,482	(1,237)
Increase / (decrease) in creditors		(667)	(558)	(639)	(558)
Increase/ (decrease) in provisions		240	(107)	240	(107)
Net cash provided by operating activities		<u>(3,506)</u>	<u>(14,832)</u>	<u>(3,521)</u>	<u>(14,839)</u>
<b>Analysis of cash and cash equivalents</b>					
Cash at bank and in hand		<u>123</u>	<u>643</u>	<u>13</u>	<u>548</u>
<b>Total cash and cash equivalents</b>		<u>123</u>	<u>643</u>	<u>13</u>	<u>548</u>

# Notes to the Financial Statements

## 1. PRINCIPAL ACCOUNTING POLICIES

Hf Trust Limited is a private company limited by guarantee (registration number 734984) and registered charity regulated by the Charity Commission (registered number 313069) with a registered address at 5/6 Brook Office Park, Folly Brook Road, Emerson's Green, Bristol.

### **Basis of preparation**

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments to market value and on a going concern basis. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

Hft meets the definition of a public benefit entity under FRS 102.

A summary of the more important group accounting policies, which have been applied consistently, is set out below.

### **Going Concern**

The Trustees have reviewed the group's and the charity's forecasts and projections to 31 March 2027 covering a period exceeding 12 months from the date of signing of the financial statements.

In the 2022/23 year, the Trustees agreed to a turnaround programme which is intended to return the organisation to a financially sustainable operating surplus. This programme had a number of elements to it which included improving operational performance from both a financial and quality perspective, ensuring there was sufficient liquidity to deliver the turnaround and ensuring there is a plan to repay the debt and ensure the organisation is sustainable in the long term. As set out in the financial sustainability section on page 9 the organisation is on track against the key turnaround objectives. It has reduced the monthly operating deficit by 75% and has a plan to return the organisation to a surplus by Q1 of 2026/27 financial year. Therefore, as the organisation has now established a 2-year track record of delivering on its turnaround plans the Trustees consider there is no further significant doubt on the ability of the organisation to return the organisation to surplus.

The organisation has a £5m bridging loan, a £7m overdraft and is in the process of entering into a long term £10m loan. The lender has obtained approval from its own credit committee to make this loan, terms and conditions have been agreed and the loan is currently going through legal and professional due diligence and valuations of the properties which will form the security. This will enable it to repay the bridging loan, reduce interest costs and provide sufficient funds to complete the turnaround. Accordingly, the going concern basis has been used in preparing these financial statements.

However, the loan is expected to complete in late 2025 after the signing of these accounts. Therefore, whilst strong progress has been made against the turnaround plan and the risks are significantly reduced from the prior year, the Trustees consider there is material uncertainty in relation to the ability to secure the required funding in line with the timetable required before existing funding facilities are exhausted in the next 12 months, which may cast significant doubt on the Charity's ability to continue as a going concern. Once the new long-term loan completes then the Trustees consider there will no longer be a material uncertainty on the ability of the organization to secure sufficient funding for the 12 months period from the signing of the financial statements.

### **Basis of consolidation**

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement include the financial statements of the company and its subsidiaries made up to 31 March 2025. Intra group transactions and profits are eliminated fully on consolidation.

The results of the subsidiary undertakings are shown in the consolidated statement of financial activities within income and expenditure. The assets and liabilities of the subsidiary undertakings are combined with those of the company in the consolidated balance sheet and consolidated cash flow statement on a line by line basis. A separate statement of financial activities for the company is not presented as permitted by section 408 of the Companies Act 2006.

### **Income**

Income from all sources is included in the statement of financial activities at its fair value on a receivable basis, subject to the following specific criteria:

1. Donations are recognised as soon as there is evidence of entitlement, subject to any conditions attached it is probable that the income will be received and the amount can be measured reliably.
2. Legacies are recognised on receipt of income or on formal notification of entitlement to the income within a short timeframe where the income is reliably measurable.
3. No amounts are included in the financial statements in respect of services donated by volunteers.

**Income from charitable activities**

Fees receivable and charges for services and projects are accounted for in the period in which the service is provided or the project undertaken.

**Other income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item (s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

**Grant income**

Grant income is recognised when recognition criteria are fulfilled, and deferred into future periods if it is a multi-period grant.

**Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. All irrecoverable VAT on costs is charged as a cost against the activity for which the expenditure was incurred.

**Expenditure on raising funds**

Expenditure incurred on raising funds does not include the costs of promoting or marketing the charity and is apportioned to individual restricted funds on the basis of funds raised during the year.

**Expenditure on charitable activities**

Service costs comprise the direct and indirect costs, including colleagues, attributable to the delivery of front-line care services for service users.

**Apportionment of support costs**

Support costs are apportioned to activities, based on the relative income of the activities.

**General reserve**

The general reserve comprises the working capital operating reserve of the group.

**Designated funds**

The designated capital project fund comprises unrestricted funds that have been set aside by the Board of Trustees to be expended on specific current capital development commitments. The aim and use of each designated fund are set out in the notes to the financial statements.

The designated fixed asset fund represents the aggregate net book value of tangible fixed assets acquired or constructed partly or fully from unrestricted funds, less associated mortgage liabilities.

### **Restricted funds**

The restricted project fund comprises funds, which are to be used in accordance with specific restrictions imposed by donors, or which have been raised by the charity for particular purposes. The cost of raising such funds is charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

The restricted fixed asset fund represents the aggregate net book value of tangible fixed assets acquired or constructed partly or fully from restricted funds.

### **Intangible fixed assets**

Intangible fixed assets represent the cost of purchasing, configuring and bringing to operational readiness significant computer software applications, which have an anticipated life of between 5 to 10 years. These assets are amortised on a straight-line basis over their estimated lives, once they are fully operational.

### **Tangible fixed assets**

All tangible fixed assets are included in the financial statements on initial recognition at cost. Individual assets with a cost below £2,500 (£500 for laptops/desktops) are not capitalised unless they form part of a series of purchases in respect of the fitting out of a new service or project. Irrecoverable VAT incurred on the purchase of fixed assets is included in the capitalised cost.

### **Impairment of Intangible Fixed Assets**

Hft is required to conduct annual impairment reviews on intangible fixed assets if there is an indication that impairment may have occurred. In general, where the calculated "value in use" is lower than book value, an impairment adjustment is made.

The "value in use" for intangible assets is calculated based on discounted future cashflows for the organisation. The "value in use" calculation as at 31st March 2025 used a discount rate of 6.35%, applied to cash flows extending over the remaining contractual term of the assets of 2.5 years. The impairment charge made in the year was £Nil (2024 £Nil).

### **Impairment of Tangible Fixed Assets**

Hft is required to conduct annual impairment reviews of its housing properties. Other fixed assets are also reviewed for impairment.

Hft is required to make critical judgements and assessments against each housing property that is reviewed. A full market survey and valuation exercise of all housing property was carried out in October 2022. For the year ended 31<sup>st</sup> March 2025 these market values represented the best estimate of recoverable amount when determining the need for an impairment charge for each cash generating property unit. Where the survey market values indicated that prior year's impairment provisions were no longer required for a property unit then the prior year provisions were reversed. Full market valuations are carried out every four years.

A review of housing price changes from 31<sup>st</sup> March 2024 until 31<sup>st</sup> March 2025 was carried out and used to indicate whether an impairment was required. Where the price change indicated that an impairment was no longer required then the prior year provisions were reversed. Overall there was an increase in net impairment values in the year of £329k (2024: decrease in impairment of £56k).

### Depreciation

Depreciation is calculated to write off the cost of buildings, plant and equipment over their expected useful lives at the following rates, on a straight-line basis:

	2025	2024
Assets due for disposal	Nil	Nil
Freehold land	Nil	Nil
Freehold buildings and additions	0-5% pa on cost	0-5%% pa on cost
Cyclical refurbishment of buildings	15% pa on cost	15% pa on cost
Equipment	8 - 15% pa on cost	8 - 15% pa on cost
Computers	33 $\frac{1}{3}$ % pa on cost	33 $\frac{1}{3}$ % pa on cost
Motor vehicles	25% pa on cost	25% pa on cost

Assets in the course of construction are not depreciated until complete.

### Operating leases

Income and costs in respect of operating leases are respectively credited and charged to the Statement of Financial Activities on a straight-line basis over the lease term.

### Provisions

#### Dilapidation

Provisions for dilapidations are recognised on a lease by lease basis and are based on the best estimate of the likely committed expenditure.

#### Onerous lease

Hft provides for all future lease costs where there is no reasonable expectation of future operating income exceeding the remaining costs of the lease relating to the leased asset.

## **Taxation**

No provision for Corporation Tax has been made in these financial statements as the company, a registered charity, is entitled to certain exemptions on its charitable activities. Taxation recoverable represents amounts deducted at source in respect of gift aid donations from individuals.

## **Investments**

Listed investments are recognised at cost and valued at fair value based on bid price at the balance sheet date. Realised and unrealised gains or losses on revaluation or disposal are combined in the Consolidated Statement of Financial Activities. Income from these investments is recognised in the year in which it arises.

## **Pension scheme arrangements**

During the year, the group operated eleven pension schemes (see note 23). Contributions to the Charity's pension schemes are charged to the Consolidated Statement of Financial Activities in the year in which they become payable.

- The Hft RBS Trustees commenced winding up The Hft Retirement Benefits Scheme or "RBS" in February 2022. The investment assets were disinvested and the proceeds transferred to a buy-in insurance policy. The Hft RBS Trustees commenced winding up the RBS with a final payment being made in February 2022. The Hft RBS pension scheme was formally closed in October 2024 and all liabilities subject to the floating charge were settled in full.
- The HF Trust Limited group personal pension plan provided by Aegon was moved into Aegon Retirement Choices (ARC) in 2019 with members having their own self-invested personal pension plan (SIPP) with ARC. The pension is open to certain categories of Hft employees.
- Contributions have been made into either the National Health Service Pension Fund or the West Yorkshire Pension Fund (part of the Local Government Pension Scheme), in respect of colleagues who transferred to Hft under the Bradford day services contract.
- Contributions have been made into the Oxford County Council Pension Fund (part of the Local Government Pension Scheme); in respect of colleagues who transferred to Hft under the Oxford Vale contract.
- From April 2013, contributions have been made into the Care Fund Limited group personal pension plan, in respect of colleagues joining Hft on the acquisition of the Care Fund group; with effect from the date of commencement of automatic enrolment in to The Peoples Pension Scheme (see below), the Group Personal Pension Plan closed to new members.

- From April 2013, contributions have been made into a Scottish Equitable personal pension plan, in respect of colleagues joining Hft on the acquisition of the Care Fund group. This pension plan is closed to new members.
- From April 2013, contributions have been made into a Friends Provident personal pension plan, in respect of colleagues joining Hft on the acquisition of the Care Fund group. This pension plan had one member who left in the year and the scheme is now closed.
- Following the commencement of automatic enrolment, from November 2013 contributions have been made into The Peoples Pension Scheme. This is the only pension scheme offered to new members of staff.
- From April 2013, contributions have been made into a Standard Life personal pension plan, in respect of colleagues joining Hft on the acquisition of the Care Fund group. This pension plan is closed to new members.
- From April 2016, contributions have been made into a Nest pension plan, in respect of colleagues joining Hft on the acquisition of The Edward Lloyd Trust. This pension plan is closed to new members.
- From April 2016, contributions have been made into a Legal & General pension plan, in respect of colleagues joining Hft on the acquisition of The Edward Lloyd Trust. This pension plan is closed to new members.
- From February 2019, contributions have been made into the Clwyd pension scheme in respect of colleagues joining Hft on the acquisition of Flintshire day services contract.

### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, which are described in this note, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

## **Depreciation and the remaining useful life of fixed assets**

The remaining useful life and expected residual values of the group's freehold buildings is a key area of estimation.

## **Provision for dilapidation**

Provisions for dilapidations are in relation to liabilities existing in respect of land and buildings held under operating leases. They are held at a value of the expected remaining charge on the lease and costs in association with bringing the relevant property into an acceptable state as agreed by both parties.

## **Impairment review**

Asset impairments have the potential to significantly impact the financial results. In order to determine whether impairments are required the Charity estimates the recoverable amount of the asset.

This calculation for intangible assets is based on projecting future cash flows over a period to obtain a current value ('value in use') and the result is compared to the net book value held, any deficit in value has been charged as an impairment against the assets.

The recoverable amount for tangible fixed assets is based on market valuations carried out every four years. When a market valuation is not undertaken the recoverable amount of each housing property is based on value in use. This requires estimates to be made in respect of future economic benefit to be derived from the underlying asset.

## **Receivable due in relation to Ironbridge development**

During the year 2023/24 Hft entered into a contract to redevelop land at Ironbridge. In exchange for the land Hft received £1.96m in cash and will additionally receive 13 purpose-built homes which to be transferred to Hft on completion. A receivable was recognised in the accounts at 31<sup>st</sup> March 2024 for £4.0m in respect of the homes to be built, representing the value of a financial bond agreed between both parties and a bank.

On 14<sup>th</sup> March 2025 two of these homes were completed by Lioncourt and handed over to Hft. Upon transfer of these properties the value of the financial bond was agreed by all parties to be reduced by £0.6m to £3.4m representing the bond value associated with these homes. These two properties have been recognised at 31<sup>st</sup> March 2025 as tangible fixed assets with a book value of £0.6m.

## 2. PRIOR YEAR CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000
<b>Income and endowments from:</b>			
Donations and legacies	744	531	1,275
Charitable activities	83,130	-	83,130
Investments	8	-	8
Other	4,949	-	4,949
<b>Total</b>	<b>88,831</b>	<b>531</b>	<b>89,362</b>
<b>Expenditure on:</b>			
Raising funds	866	-	866
Charitable activities	93,250	995	94,245
Other	3,339	-	3,339
<b>Total</b>	<b>97,455</b>	<b>995</b>	<b>98,450</b>
Net losses on investments	(78)	-	(78)
<b>Net expenditure</b>	<b>(8,702)</b>	<b>(464)</b>	<b>(9,166)</b>
<b>Transfers Between Funds</b>	<b>778</b>	<b>(778)</b>	<b>-</b>
Net movement in funds	(7,924)	(1,242)	(9,166)
Total funds brought forward	40,430	17,468	57,898
Total funds carried forward	32,506	16,226	48,732

## 3. INCOME AND ENDOWMENTS

### a) Donations and legacies

Group and Company	2025 £'000	2024 £'000
Strategic Partnerships	219	280
Regional & community	306	351
Donor marketing	208	192
<b>Donations</b>	<b>733</b>	<b>823</b>
Legacies	1,160	452
<b>Total donations and legacies</b>	<b>1,893</b>	<b>1,275</b>

Included within donations is £31k of Gift Aid reclaimed (2024: £34k). Income from Friends Groups of £8k (2024: £10k) is included in donations and includes amounts held by groups.

The expenditure incurred by the Friends Groups has remained minimal during the year and continues to not be material in results based on management estimates. It has not proved practical to obtain expenditure records from individual Friends Groups; however, the Board does not consider that the effect is material and it has no effect on the net incoming resources for the year (2024: no effect).

## b) Income from Charitable Activities

Group and Company	2025 £'000	2024 £'000
Service income	81,255	82,887
Special projects	-	173
Community Interest Company income	70	70
<b>Total</b>	<b>81,325</b>	<b>83,130</b>

Special projects work ceased in the year 2023/24.

### 4. HFT TRADING LIMITED

Hft has a wholly owned subsidiary, which is incorporated in England and Wales, with a registered office at 5/6 Brook Office Park, Folly Brook Road, Emersons Green, Bristol. Hft Trading Limited (company registration 02764761) is dormant. A summary of the net assets is shown below.

	2025 £'000	2024 £'000
Current assets	22	22
Current liabilities	(28)	(28)
Net liabilities	(6)	(6)

### 5. HFT PROPERTY LIMITED

Hft has a wholly owned subsidiary, which is incorporated in the England and Wales, with a registered office at 5/6 Brook Office Park, Folly Brook Road, Emersons Green, Bristol. Hft Property Limited (company registration 03216502) is dormant. A summary of the net assets is shown below.

	2025 £'000	2024 £'000
Current assets	4	4
Current liabilities	(6)	(6)
Net liabilities	(2)	(2)

### 6. LUV2MEETU COMMUNITY INTEREST COMPANY

Hft is the sole member of a company limited by guarantee. Luv2meetU Community Interest Company (company registration 07399511) is incorporated as a Community Interest Company and is registered in England and Wales, with a registered office at 5/6 Brook Office Park, Folly Brook Road, Emersons Green, Bristol and the operating office address at Euroway House, Roydsdale Way, Bradford, BD4 6SE. A summary of the trading results is shown below.

	2025 £'000	2024 £'000
Turnover	36	70
Operating expenditure	(28)	(65)
Net income	<u>8</u>	<u>5</u>
Retained profit brought forward	29	25
Tax charge	(2)	(1)
Retained in subsidiary	<u>35</u>	<u>29</u>
Current assets	92	73
Current liabilities	(57)	(44)
Net assets	<u>35</u>	<u>29</u>

## 7. OTHER INCOME

Other income comprises:

	2025 £'000	2024 £'000
Miscellaneous income	28	9
Gains on disposal of tangible fixed assets	1,716	4,940
<b>Total other income</b>	<u>1,744</u>	<u>4,949</u>

## 8. EXPENDITURE

a) Analysis of expenditure	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	Total 2025 £'000	Total 2024 £'000
Raising funds	505	368	126	999	866
<b>Charitable activities:</b>					
Service costs	64,824	13,422	6,174	84,420	93,268
Special projects	-	-	-	-	977
	64,824	13,422	6,174	84,420	94,245
<b>Other:</b>					
Marketing and publicity costs	274	87	-	361	409
Investment management fees	-	-	-	-	-
Exceptional costs	410	1,148	-	1,558	1,651
Governance	-	-	1,104	1,104	1,211
Interest Payable	-	-	799	799	68
	<u>684</u>	<u>1,235</u>	<u>1,903</u>	<u>3,822</u>	<u>3,339</u>
<b>Total expenditure</b>	<u>66,013</u>	<u>15,025</u>	<u>8,203</u>	<u>89,241</u>	<u>98,450</u>

Exceptional costs include costs totalling £1.6m (2024: £1.6m) incurred as part of the turnaround programme implemented to improve the underlying operating financial performance of Hft. These turnaround costs include legal and professional fees of £849k (2024: £500k) and redundancy costs of £410k (2024: £900k).

Special projects work ceased in the year 2023/24 as part of the turnaround programme.

b) Analysis of support costs	Raising funds costs	Service costs	Total 2025	Total 2024*
	£'000	£'000	£'000	£'000
Human Resources	25	1,204	1,229	1,859
Finance and Company Secretary	19	914	933	1,180
Estates	34	1,660	1,694	1,788
Information Technology	27	1,325	1,352	2,006
Governance	22	1,082	1,104	1,211
Corporate Management	22	1,070	1,092	1,063
	<u>149</u>	<u>7,255</u>	<u>7,404</u>	<u>9,107</u>
Interest payable	-	799	799	68
<b>Total support costs</b>	<u>149</u>	<u>8,054</u>	<u>8,203</u>	<u>9,175</u>

\*In order to provide a more informative analysis of operational expenditure, operational support costs previously included in prior years as part of overall support costs have been reclassified as direct costs in the 2024/25 accounts. For consistency and comparability the prior year figures shown above for 2023/24 have been restated accordingly. The operational support costs line item in 2023/24 amounted to £2,624k. Additionally, in 2023/24 interest payable costs were included within Finance and Company Secretary costs. In the 2024/25 accounts interest payable has been disclosed separately to provide greater transparency of support costs.

c) Analysis of professional and Trustee costs	2025	2024
	£'000	£'000
Internal assurance	3	33
External audit, tax advice and assurance	73	132
Legal, professional & consultancy fees	535	488
Trustee expenses and meeting costs	11	1
Trustee liability and other insurance costs	40	40
<b>Total professional and Trustee costs</b>	<u>662</u>	<u>694</u>

## 9. NET EXPENDITURE

Net expenditure is stated after charging/(crediting):	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Operating lease charges:		
Land & buildings	<b>1,216</b>	1,223
Motor vehicles	<b>339</b>	409
Auditor's remuneration (company £80k; 2024: £90k)	<b>86</b>	96
Auditor's remuneration – tax compliance	<b>4</b>	4
Impairment of fixed assets	<b>329</b>	(56)
Depreciation	<b>877</b>	889
Amortisation	<b>239</b>	239
(Profit) on the sale of fixed assets	<b>(1,717)</b>	(4,940)

## 10. EMPLOYEES

The average number of persons employed by the group & parent charity during the year and their salary and wages costs were:

	<b>2025</b>		<b>2024</b>	
	<b>Number</b>	<b>£'000</b>	<b>Number</b>	<b>£'000</b>
<b>Salaries:</b>				
Fundraising	<b>21</b>	<b>780</b>	29	1,035
Services & Projects	<b>2,143</b>	<b>50,027</b>	2,179	48,591
Special Projects	<b>4</b>	<b>112</b>	17	410
Support & Governance	<b>120</b>	<b>5,203</b>	153	6,063
	<b>2,288</b>	<b>56,122</b>	<b>2,378</b>	<b>56,099</b>
<b>Other staff costs:</b>				
National Insurance costs		<b>4,822</b>		4,685
Pension costs		<b>1,200</b>		1,262
		<b>62,144</b>		<b>62,046</b>

The total emoluments of employees earning more than £60k (including benefits in kind, but excluding employer's pension contributions) fall within the following bandings:

	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£90,001 - £100,000	1	-
£100,001 - £110,000	1	1
£120,001 - £130,000	-	1
£130,001 - £140,000	-	2
£140,001 - £150,000	1	-
£170,001 - £180,000	1	-
£180,001 - £190,000	-	1

For those colleagues whose emoluments exceed £60k per annum, pension contributions amounting to £35k (2024: £45k) were paid for the provision of money purchase benefits. All of these staff benefits accrued under the Group Personal Pension Plan.

Included within these employment costs are redundancy and termination payments totalling £401k (2024: £900k). These payments are recognised as soon as the liability to the charity crystallises under the terms of the agreement with the employee.

Key management personnel are deemed to be the Trustees together with the Executive Management team. The total emoluments of the Executive Management team were as follows:

Group and parent	2025 £'000	2024 £'000
Emoluments	775	1,002
Employer's national insurance contributions	91	109
Employer's pension fund contributions	39	45
	<u>905</u>	<u>1,156</u>

No member of the Executive management team received any other remuneration such as long-term incentive schemes, shares or compensation for loss of office. No member of the Executive Management team waived any emoluments.

The Trustees received no emoluments during the year (2024: £Nil). The aggregate amount of expenses incurred by Trustees during the year amounted to £Nil (2024: £Nil).

#### 11. (a) INTANGIBLE FIXED ASSETS

Group and company		Computer software £'000
Cost:	At 1 April 2024	3,299
	Additions	-
	At 31 March 2025	<u>3,299</u>
Amortisation:	At 1 April 2024	2,662
	Charge for the year	239
	At 31 March 2025	<u>2,901</u>
Net book value:	At 31 March 2025	<u>398</u>
	At 31 March 2024	<u>637</u>

## 11. (b) TANGIBLE FIXED ASSETS

Group & Company		Freehold land & buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost:	At 1 April 2024	<b>71,093</b>	1,318	662	<b>73,073</b>
	Additions	1,392	46	-	<b>1,438</b>
	Disposals	(2,556)	(2)	-	<b>(2,558)</b>
	At 31 March 2025	<b>69,929</b>	<b>1,362</b>	<b>662</b>	<b>71,953</b>
Depreciation:	At 1 April 2024	<b>20,245</b>	988	662	<b>21,895</b>
	Charge for the year	800	78	-	<b>878</b>
	Impairment Charge	329	-	-	<b>329</b>
	Disposals	(548)	-	-	<b>(548)</b>
	At 31 March 2025	<b>20,826</b>	<b>1,066</b>	<b>662</b>	<b>22,554</b>
Net book value:	At 31 March 2025	<b>49,103</b>	<b>296</b>	-	<b>49,399</b>
	At 31 March 2024	<b>50,848</b>	330	-	51,178

In the opinion of the Trustees the market value of the land and buildings above is in excess of the carrying value of the land and buildings above.

## 12. FIXED ASSET INVESTMENTS

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Market value:				
At 1 April 2024	<b>222</b>	6,979	<b>222</b>	6,979
Disposal	<b>(98)</b>	(6,656)	<b>(98)</b>	(6,656)
Net loss on investment assets	<b>(5)</b>	(78)	<b>(5)</b>	(78)
Investment management charges	-	(23)	-	(23)
At 31 March 2025	<b>119</b>	222	<b>119</b>	222

Investments are represented by:

	Cost	Market Value		Gross Income	
	2025 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Investments listed in the UK:					
Common investment funds	60	<b>53</b>	57	<b>2</b>	1
Property and other funds	62	<b>57</b>	74	<b>1</b>	7
Cash	9	<b>9</b>	91	-	-
<b>Company &amp; Group</b>	<b>131</b>	<b>119</b>	222	<b>3</b>	8

There are no particular investments which are considered to be individually material in the context of the overall investment portfolio, in either year. Hft owns the whole of the issued share capital of Hft Trading Limited: 100 ordinary shares of £1 each issued at par. Hft Trading Limited is registered in England and Wales.

Hft owns the whole of the issued share capital of Hft Property Limited: two ordinary shares of £1 each issued at par registered in England and Wales. In addition, as the sole member of a company limited by guarantee, Hft wholly controls Luv2meetU Community Interest Company. Luv2meetU Community Interest Company is incorporated as a Community Interest Company and registered in England and Wales. The dormant subsidiaries are audit exempt by virtue of S480 of the Companies Act 2006.

### 13. DEBTORS

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
<b>Due within one year:</b>				
Loan due from Dimensions (UK) Ltd	42	42	42	42
Fees and grants	4,220	5,701	4,220	5,701
Other debtors	430	31	425	31
Prepayments	381	535	381	532
Accrued income	698	929	698	929
Ironbridge consideration	1,150	1,617	1,150	1,617
	<u>6,921</u>	<u>8,855</u>	<u>6,916</u>	<u>8,852</u>

#### Due after one year

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Ironbridge consideration	2,250	2,383	2,250	2,383
	<u>2,250</u>	<u>2,383</u>	<u>2,250</u>	<u>2,383</u>

The loan due from Dimensions (UK) Limited represented an advance for the purchase of a property and was secured against this property. The loan was repayable only on the sale of the property, together with specified proportions of the excess of the sale proceeds over the advance. The loan carries no interest.

### 14. CASH AT BANK AND IN HAND

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cash and bank balances	123	643	13	548
	<u>123</u>	<u>643</u>	<u>13</u>	<u>548</u>

## 15. CREDITORS

	Group		Company	
	2025	2024	2025	2024
<b>Due within one year:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	1,534	1,494	1,534	1,494
Taxation and social security payable	1,215	1,317	1,213	1,317
Other creditors	287	240	219	159
Accruals	4,053	3,974	4,026	3,977
Deferred income	1,900	2,631	1,900	2,631
	<u>8,989</u>	<u>9,656</u>	<u>8,892</u>	<u>9,578</u>
<b>Due after more than one year:</b>				
Mortgage loans (see note 18)	5,250	5,250	5,250	5,250
	<u>5,250</u>	<u>5,250</u>	<u>5,250</u>	<u>5,250</u>
<b>Mortgage loans – repayable after more than one year:</b>				
Between one and two years	5,000	5,000	5,000	5,000
In more than five years	250	250	250	250
	<u>5,250</u>	<u>5,250</u>	<u>5,250</u>	<u>5,250</u>

## Deferred income reconciliation

	Group £'000	Company £'000
At 1 April 2024	2,631	2,631
Released during year	(2,631)	(2,631)
Provided during year	1,900	1,900
At 31 March 2025	<u>1,900</u>	<u>1,900</u>

Deferred income comprises income received in respect of fees relating to services provided after 31 March 2025.

## 16. PROVISIONS FOR LIABILITIES

Group & Company - Movement during the year	At 1 April 2024 £'000	Additions £'000	Releases £'000	At 31 March 2025 £'000
Dilapidation	<u>280</u>	<u>240</u>	<u>-</u>	<u>520</u>
	280	240	-	520

The Group recognises dilapidation provisions in respect of its lease arrangements, based on estimates of future cash outflows should the lease not be renewed.

## 17. INTEREST FREE LOANS

The interest free loans are repayable on demand. At 31 March 2025, the interest free loans were wholly covered by cash and investments.

## 18. MORTGAGE

Mortgage loans	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cornwall County Council	250	250	250	250
The Care Home Lender	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
	<u>5,250</u>	<u>5,250</u>	<u>5,250</u>	<u>5,250</u>

The mortgage loan of £250k is an interest free loan secured by a first charge on the freehold property of the Cornwall Day Centre which is held in the books with a net book value of £448k. The loan will become repayable if Hft should terminate the agreement, dated January 1992, with Cornwall County Council for the provision by Hft of accommodation and services for individuals with learning disabilities. In addition, the loan will become repayable if Hft should sell, lease or cease to use the day centre for individuals with learning disabilities.

On 18<sup>th</sup> March 2024 Hft received a loan for £5,000k from The Care Home Lender Ltd secured against 7 Hft freehold properties. The loan is repayable by 18<sup>th</sup> March 2027.

## 19. STATEMENT OF FUNDS

	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Unrestricted Funds £'000	Total Funds £'000
<b>Company</b>					
<b>At 1 April 2024</b>	16,226	(7,898)	40,384	32,486	48,712
Income	354	84,611	-	84,611	84,965
Expenditure	(641)	(86,605)	(1,993)	(88,598)	(89,239)
Transfer	17	(617)	600	(17)	-
Other recognised gains /(losses)	-	(5)	-	(5)	(5)
<b>At 31 March 2025</b>	<b>15,956</b>	<b>(10,514)</b>	<b>38,991</b>	<b>28,477</b>	<b>44,433</b>
<b>At 1 April 2023</b>	17,468	(1,347)	41,760	40,413	57,881
Income	531	88,761	-	88,761	89,292
Expenditure	(995)	(96,012)	(1,376)	(97,388)	(98,383)
Transfer	(778)	778	-	778	-
Other recognised gains /(losses)	-	(78)	-	(78)	(78)
<b>At 31 March 2024</b>	<b>16,226</b>	<b>(7,898)</b>	<b>40,384</b>	<b>32,486</b>	<b>48,712</b>
<b>Group</b>					
<b>At 1 April 2024</b>	16,226	(7,878)	40,384	32,506	48,732
Income	354	84,611	-	84,611	84,965
Expenditure	(641)	(86,607)	(1,993)	(88,600)	(89,241)
Transfer	17	(617)	600	(17)	-
Other recognised gains /(losses)	-	(5)	-	(5)	(5)
<b>At 31 March 2025</b>	<b>15,956</b>	<b>(10,496)</b>	<b>38,991</b>	<b>28,495</b>	<b>44,451</b>
<b>At 1 April 2023</b>	17,468	(1,330)	41,760	40,430	57,898
Income	531	88,831	-	88,831	89,362
Expenditure	(995)	(96,079)	(1,376)	(97,455)	(98,450)
Transfer	(778)	778	-	778	-
Other recognised gains /(losses)	-	(78)	-	(78)	(78)
<b>At 31 March 2024</b>	<b>16,226</b>	<b>(7,878)</b>	<b>40,384</b>	<b>32,506</b>	<b>48,732</b>

### Restricted funds

Comprises the project fund and the fixed asset fund (see note 22).

### Unrestricted funds

The general reserve represents the working capital operating reserve of the group. This was negative at 31 March 2025 due to the deficits incurred during the financial year. The designated fund comprises the capital project fund and the fixed asset fund (see note 21).

## 20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Representation of fund balances	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
<b>Group</b>					
Tangible & intangible assets	10,158	398	39,241	49,797	51,815
Fixed asset investments	-	119	-	119	222
Cash and bank balances	5,798	(5,675)	-	123	643
Other current assets	-	6,921	-	6,921	8,855
Current liabilities	-	(8,989)	-	(8,989)	(9,656)
Long-term net liabilities	-	(2,750)	(250)	(3,000)	(2,867)
Provision for liabilities and charges	-	(520)	-	(520)	(280)
Net assets	15,956	(10,496)	38,991	44,451	48,732
<b>Company</b>					
Tangible & intangible assets	10,158	398	39,241	49,797	51,815
Fixed asset investments	-	119	-	119	222
Cash and bank balances	5,798	(5,785)	-	13	550
Other current assets	-	6,916	-	6,916	8,855
Current liabilities	-	(8,892)	-	(8,892)	(9,583)
Long-term liabilities	-	(2,750)	(250)	(3,000)	(2,867)
Provision for liabilities and charges	-	(520)	-	(520)	(280)
Net assets	15,956	(10,514)	38,991	44,433	48,712

Prior year Representation of fund balances	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
<b>Group</b>					
Tangible & intangible assets	10,545	636	40,634	51,815	53,835
Fixed asset investments	-	222	-	222	6,979
Cash and bank balances	5,681	(5,038)	-	643	1,930
Other current assets	-	8,855	-	8,855	6,005
Current liabilities	-	(9,656)	-	(9,656)	(10,494)
Long-term net liabilities	-	(2,617)	(250)	(2,867)	(250)
Provision for liabilities and charges	-	(280)	-	(280)	(107)
Net assets	16,226	(7,878)	40,384	48,732	57,898
<b>Company</b>					
Tangible & intangible assets	10,545	636	40,634	51,815	53,835
Fixed asset investments	-	222	-	222	6,979
Cash and bank balances	5,681	(5,133)	-	548	1,842
Other current assets	-	8,852	-	8,852	6,025
Current liabilities	-	(9,578)	-	(9,578)	(10,443)
Long-term liabilities	-	(2,617)	(250)	(2,867)	(250)
Provision for liabilities and charges	-	(280)	-	(280)	(107)
Net assets	16,226	(7,898)	40,384	48,712	57,881

## 21. DESIGNATED FUNDS – GROUP

Designated funds comprise the following individual funds:

Representation of designated funds	At 1 April 2024 £'000	Movement on Fixed assets £'000	Fixed asset transfers £'000	Fund transfers £'000	At 31 March 2025 £'000
Designated fixed asset fund	40,384	(1,993)	600	-	38,991

Prior year representation of designated funds	At 1 April 2023 £'000	Expenditure £'000	Fixed asset transfers £'000	Fund transfers £'000	At 31 March 2024 £'000
Designated fixed asset fund	41,760	(1,376)	-	-	40,384

The fixed asset fund represents the net book value of all unrestricted tangible fixed assets, less associated mortgage liabilities

The Fixed asset transfer of £600k represents the addition of the two Ironbridge properties. Transferred from Ironbridge Consideration receivable.

## 22. RESTRICTED FUNDS – GROUP AND COMPANY

	At 1 April 2024	Income	Transfer	Expenditure	At 31 March 2025
	£'000	£'000	£'000	£'000	£'000
<b>General service restrictions:</b>					
Gloucestershire	122	4	-	(3)	123
Sheffield	14	-	-	(2)	12
The Wirral	23	24	-	(4)	43
Kent South	93	35	-	(4)	124
South Oxfordshire	23	-	-	-	23
Herts & Essex	87	12	-	(22)	77
Devon	276	2	-	(2)	276
Leeds	39	9	-	(8)	40
Bedfordshire	62	9	-	(2)	69
Arden Vale	20	28	-	(13)	35
Cornwall	95	38	-	(32)	101
Kingston-upon-Thames	37	-	-	-	37
North Oxfordshire	28	1	-	(1)	28
Bristol	16	20	-	(15)	21
Bradford	15	-	-	-	15
Kent North	-	1	-	-	1
Sussex	183	22	-	(16)	189
Shropshire	28	27	-	(5)	50
Leicestershire	21	-	-	-	21
London	-	-	12	(12)	-
Lancashire	12	2	-	(1)	13
Newcastle	5	-	-	-	5
Flintshire	133	1	-	-	134
Other project grants: L2MU, PT	1,316	101	-	(104)	1,313
Newcastle Edward Lloyd Trust	877	-	-	-	877
Surrey	-	18	-	(3)	15
<b>Other restrictions:</b>					
Edenbridge legacy	645	-	-	-	645
Extra Special Trust	-	-	5	(5)	-
Tiverton Drop-In Centre	57	-	-	-	57
Design for Life - East Midlands	408	-	-	-	408
Design for Life - Lancashire	50	-	-	-	50
West Sussex - Community Fund	137	-	-	-	137
Others Grants & Donations	859	-	-	-	859
Restricted project fund	5,681	354	17	(254)	5,798
Restricted fixed asset fund	10,545	-	-	(387)	10,158
<b>Total restricted funds</b>	<b>16,226</b>	<b>354</b>	<b>17</b>	<b>(641)</b>	<b>15,956</b>

**General Service restrictions:** Funds donated specifically for services which comprises of donations to be spent locally on people we support and larger donations to be spent on building works.

**Edenbridge Legacy:** A specific donation of £1m from Mrs Potts for general use benefitting the people we support in Kent North – funds have been used to develop the hostel on site.

**Extra Special Trust:** Donated £774k for the income to be used to provide people we support with exceptional items to enhance their lives. Subsequent to the 31 March 2024 year-end a review was undertaken of the Extra Special Trust by Trustees which concluded the Trust formed part of General Reserves and the balance was therefore transferred in the 2024/2025 financial year. The Extra Special Trust was liquidated in December 2024 to ensure the organisation had sufficient funds to enable it to continue to operate.

**Tiverton Drop-in Centre:** In 2009 Sea Mead Charitable Trust donated £408k to support development of the Tiverton Drop-in Centre and to support an individual in his woodwork craft.

**Design for Life - East Midlands:** For the building and furnishing of 8 apartments in Kibworth Leicestershire.

**Design for Life – Lancashire:** A long term appeal headed primarily by Andrew Collinge and Joan McClarnon to refurbish buildings at Stanley Grange, Preston. The majority of these funds were transferred with the sale of Stanley Grange in the year ending 31st March 2016.

**West Sussex - Community Fund:** Since 2011 the Gerald Micklem Charitable Trust has donated £458k primarily for day services at Walberton concentrating mainly on Sussex Orchards. Money is given annually for the coming financial year.

**Other grants & donations:** This includes individual smaller donations.

## **23. PENSION COMMITMENTS**

### **(a) Self-Invested Personal Pension**

The HF Trust Limited group personal pension plan provided by Aegon was moved into Aegon Retirement Choices (ARC) in 2019 with members having their own self-invested personal pension (SIPP) with ARC. The pension remains open to certain categories of Hft employees.

The assets of the plan, which are held separately from those of the company, are invested with Aegon Plc. The pension charge for the year was £110k (2024: £157k). The charge for the year includes £ 65k (2024: £98k) contributed under an employee salary-sacrifice scheme. An amount of £16k was owing to the plan in respect of contributions as at 31 March 2025 (2024: £Nil).

Contributions paid and costs incurred, by the company, are charged as expenditure in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes in FRS 102.

In respect of the NHS pension scheme, the West Yorkshire Pension Fund and the Oxford County Council Pension Fund, the main contributory bodies to these 3 schemes are publicly funded statutory bodies. Hft is responsible, under the agreements by which it provides pensions from these 3 pensions funds to its colleagues, for the contributions in respect of those employees only, and has no liability for any other participating entities' obligations in respect of the schemes.

As a part of the new service in Flintshire Hft pays into the Clwyd Pension Fund. Contributions into the scheme totalled £72k (2024: £78k) during the year with £7k (2024: £8k) owing to the scheme in respect of contributions.

#### **(b) Care Fund Group Personal Pension Plan**

During the year, contributions have been made to the Care Fund Limited group personal pension plan in respect of employees transferred on acquisition of the Care Fund group. With effect from the date of commencement of automatic enrolment into The Peoples Pension Scheme (see below), the Group Personal Pension Plan closed to new members.

Contributions paid and costs incurred, by the group, are charged to expenditure in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes in FRS 102.

The assets of the plan, which are held separately from those of the group, are invested with Standard Life plc. The pension charge for the year was £5k (2024: £12k). An amount of £Nil was owing to the plan in respect of contributions as at 31 March 2025 £1k (2024: £2k).

#### **(f) The Peoples Pension Scheme**

To meet its legal obligations, from its staging date of 1 September 2013, the group commenced automatic enrolment of staff into The Peoples Pension Scheme; the scheme operates under a Master Trust.

Contributions paid and costs incurred, by the group, are charged as expenditure in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes in FRS102.

The pension charge for the year was £1,012k (2024: £913k). An amount of £196k was owing to the plan in respect of contributions as at 31 March 2025 (2024: £180k).

#### **(g) Other pension schemes**

During the year, contributions have been made towards schemes in respect of employees transferred on acquisition of the Care Fund group and the Edward Lloyd Trust. The group contributions to this plan are fixed amounts, dependent on individual contracts of employment.

Contributions paid & costs incurred, by the group, are charged as expenditure in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes in FRS 102.

The assets of the plan, which are held separately from those of the group, are invested with Scottish Equitable plc, Friends Provident plc, Nest and Legal & General. The pension charge for the year was £2k (2024: £5k). An amount of £0.5k was owing to the plan in respect of contributions as at 31 March 2025 (2024: £1k).

## 24. FINANCIAL COMMITMENTS

Total minimum commitments for non-cancellable operating leases are as follows:	2025		2024	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Amounts payable within one year	759	168	770	277
Amounts payable between one and five years	1,400	338	2,211	511
Amounts payable in over five years	838	-	2,410	-
	<b>2,997</b>	<b>506</b>	<b>5,391</b>	<b>788</b>

## 25. CAPITAL COMMITMENTS

There are no capital commitments to report.

## 26. CONTINGENT LIABILITIES

There are no contingent liabilities to report.

## 27. POST BALANCE SHEET EVENTS

There are no post balance sheet events to note.

## 28. RELATED PARTY TRANSACTIONS

HF Trust Limited is the parent company within a group that prepares consolidated financial statements. The parent company has the following transactions with other group companies:

Hft has no outstanding balance due from LUV2MEETU CIC. Costs of £15k were recharged to LUV2MEETU CIC (2024: £44k).

1 **Related transactions in parent company for year ending 31 March 2025:**

	Sales £'000	Purchases £'000	Debtor £'000	Creditor £'000
Hft Property Limited	-	-	-	-
Hft Trading Limited	-	-	27	-
Luv2meetU	15	-	-	-
<b>Total</b>	<b>15</b>	<b>-</b>	<b>27</b>	<b>-</b>

2 **Related transactions in parent company for year ending 31 March 2024:**

	Sales £'000	Purchases £'000	Debtor £'000	Creditor £'000
Hft Property Limited	-	-	-	-
Hft Trading Limited	-	-	25	-
Luv2meetU	44	-	-	-
<b>Total</b>	<b>44</b>	<b>-</b>	<b>25</b>	<b>-</b>

During the year, no Trustees of Hft were also Trustees of related parties.

## 29. CAPITAL

The charity is a parent company limited by guarantee. Each member has undertaken to contribute £10 to the assets of the group to meet its liabilities if called on to do so. The total amount guaranteed by members at 31 March 2025 is £1k (2024: £1k).

## 30. FINANCIAL INSTRUMENTS

The company's financial instruments are as follows:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
<b>Financial assets</b>				
Debt instruments				
Loan due from Dimensions UK	42	42	42	42
Total	42	42	42	42
<b>Equity Investments</b>				
Listed investments	119	222	119	222
<b>Financial Liabilities</b>				
Mortgage loans	5,250	5,250	5,250	5,250
Interest free loans	-	-	-	-
Total	5,250	5,250	5,250	5,250

## Equity Instruments

Equity instruments that are listed on a regulated stock exchange are measured at fair value using observable market inputs. The inputs used in valuing the instruments include indexes provided by these regulated mar

### 31. RESTRICTED FUNDS Prior year – GROUP AND COMPANY

	At 1 April 2023	Income	Transfer	Expenditure	At 31 March 2024
	£'000	£'000	£'000	£'000	£'000
<b>General service restrictions:</b>					
Gloucestershire	122	-	-	-	122
Sheffield	17	-	-	(3)	14
The Wirral	23	-	-	-	23
Kent South	92	3	-	(2)	93
South Oxfordshire	23	-	-	-	23
Herts & Essex	73	14	-	-	87
Devon	338	-	-	(62)	276
Leeds	36	3	-	-	39
Bedfordshire	90	11	-	(39)	62
Arden Vale	20	-	-	-	20
Cornwall	99	16	-	(20)	95
Kingston-upon-Thames	40	-	-	(3)	37
North Oxfordshire	32	-	-	(4)	28
Bristol	16	10	-	(10)	16
Bradford	15	-	-	-	15
Kent North	137	-	-	(137)	-
Sussex	308	5	-	(130)	183
Shropshire	23	10	-	(5)	28
Leicestershire	36	3	-	(18)	21
London	40	-	-	(40)	-
Lancashire	15	-	-	(3)	12
Newcastle	5	-	-	-	5
Flintshire	33	106	-	(6)	133
Other project grants: L2MU, PT	709	165	452	(10)	1,316
Newcastle Edward Lloyd Trust	877	-	-	-	877
<b>Other restrictions:</b>					
Edenbridge legacy	645	-	-	-	645
Extra Special Trust	778	-	(778)	-	-
Tiverton Drop-In Centre	57	-	-	-	57
Design for Life - East Midlands	408	-	-	-	408
Design for Life - Lancashire	50	-	-	-	50
West Sussex - Community Fund	137	-	-	-	137
General Regional Funds	452	-	(452)	-	-
Others Grants & Donations	773	185	-	(99)	859
Restricted project fund	6,519	531	(778)	(591)	5,681
Restricted fixed asset fund	10,949	-	-	(404)	10,545
<b>Total restricted funds</b>	<b>17,468</b>	<b>531</b>	<b>(778)</b>	<b>(995)</b>	<b>16,226</b>

**HF TRUST LIMITED**

England & Wales - Charity number 313069

---

# Accounts

---

**HF Trust Limited**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 March 2024**

Company Registration No. 734984

Charity Registration No. 313069

## Contents

Reference and administrative details .....	3
Welcome from the Chair of Trustees and Chief Executive .....	5
Strategic Report: Objectives, Activities and Public Benefit.....	9
Achievements and Performance.....	10
Our Colleagues.....	14
Our Volunteers.....	15
Future Plans.....	16
Structure, Governance and Management .....	16
Modern Slavery Statement .....	22
Internal Controls Statement.....	26
Directors' and Officers' Liability Insurance .....	29
Financial Review .....	30
Statement of Trustees' responsibilities .....	35
Independent Auditor's Report to the members of HF Trust Limited.....	37
Consolidated Statement of Financial Activities.....	41
Balance Sheet.....	42
Cashflow Statement.....	44
Notes to the Financial Statements.....	45

## Reference and administrative details

### **Royal Patron**

HRH The Princess Royal

### **Trustees**

Amanda Bunce (Chair)

Paul Morgan

Irfana Malik

Timothy Tamblyn

John Devapriam (Vice Chair from 20.10.23)

Hugh Piper

Lesley Hutchinson

Michael Butler (appointed 09.01.24)

Annemarie Strong (co-opted 26.01.23)

Simon Jones (resigned, Vice Chair until 20.10.23)

Desmond Spencer (co-opted 01.02.24)

Jonathan Laredo (co-opted 01.02.24)

### **Executive Management**

Stephen Veevers (Chief Executive from 01.01.24)

Simon Hubble (Chief Corporate Services Officer and Deputy Chief Executive from 24.04.23)

Devia Gurjar (Chief Charity and External Affairs Officer to 19.07.24))

David O'Neill (Chief Commercial Housing Officer from 01.08.23 to 16.08.24)

Tracy Hampson (Director of Operations from 12.12.23)

Kate Jenkins (Interim Director of People from 02.01.24)

Peter Snelling (Chief Care and Support Officer from 03.01.23 until 31.03.24)

Kaajal Chotai (Chief Quality and Governance Officer until 22.03.24)

Kirsty Matthews (Chief Executive until 31.12.23)

Mel Corish (Chief Strategy, Transformation and Innovation Officer until 30.06.23)

Paul Robinson (Interim Commercial, Finance and IT Officer until 24.05.23)

Teresa Parker (Chief Commercial Housing Officer until 28.04.2023)

### **Principal Bankers**

Lloyds Bank plc, Canons House, Canons Way, Bristol, BS1 5LL

### **External Auditor**

RSM UK Audit LLP, 25 Farringdon Street, London EC4A 4AB

**Internal Auditor**

Crowe UK LLP, 55 Ludgate Hill, London, EC4 7JW

**Solicitors**

TLT Solicitors, 1 Redcliff Street, Bristol. BS1 6TP

**Investment Managers**

Investec, 2 Gresham Street, London, EC2V 7QN

**Registered Office**

5/6 Brook Office Park, Folly Brook Road, Emerson's Green, Bristol, BS16 7FL

**Reference Details**

Hft Trust Limited often uses the abbreviation "Hft"

The Company is registered charity number 313069.

The company is registered in England and Wales as company number 734984.

## Welcome and overview from the Chair of Trustees and Chief Executive

The social care sector continued to feel the continued double squeeze in 23/24 of underfunding from statutory bodies and another decline in the number of domestic care workers and the pressure this creates as a people led business. This coupled with the NLW increase of 9.7% in year and increasing by 46% over the last 6 years, has added c.£21m cost to Hft. This increase, which is right, proper and excellent for our workforce, was not matched by appropriate levels from our funders, with the average increase from Local Authorities being only 8.6%. In April 2024 NLW increased by a further 9.8% however Government funding has not matched this increase and in 2024 the Local Government settlement is 2.3% less than the increase. It is against this backdrop that the organisation has embarked on a major turnaround programme in order to start returning the organisation to a financially sustainable position. As reported in last year's Annual Report, the organisation has an encompassing and focused turnaround plan under new leadership and whilst there is a long way to go to recover from the stark deficit position of 2022/2023, we are pleased to report that we are on track against the plan and the deficit has reduced by £6.9m from £16.1m in 22/23 to £9.2m in 23/24.

The first part of the turnaround plan was on addressing business critical areas which underpin the organisation's performance. The first of these was agency reduction and through tighter controls, improved rostering and renegotiating agency rates the agency spend has reduced from a peak of £1.7m a month in October 2023 to £1.1m in March 2024. Agency costs have continued to fall in the FY24/25 financial year and have averaged £0.9m for the first quarter which represents a c.50% reduction. The second priority area was on increasing recruitment in order to deliver a net increase in directly employed support workers and thereby enable further agency reduction. Structured work is underway across a number of areas in recruitment to deliver increased numbers of new support workers. Colleague turnover, a result of good retention and a positive values based organisation, has been consistently low and better than average for the sector. As a result, the overall increases in support workers has been delivered. The third priority area has been on managing our costs. Voluntary and compulsory redundancy programmes commenced in the summer and autumn of 2023 which have reduced payroll costs by £3.5m. Further programmes are now underway to reduce the corporate overheads towards the sector averages and to deliver cost efficiencies from non-pay costs including utilities, systems, legal and professional and VAT. This is underpinned by making systems simpler, leaner and easier across all functions at Hft.

In addition to the cost reduction Hft is also prioritising income maximisation. This commenced in the FY23/24 financial year with a reset of housing rents to appropriate sector market levels. Reluctantly Hft also had to exit some services where it was incurring significant deficits. A programme is now underway to request Local Authorities and Health Commissioning bodies to provide uplifts in revenue for those services which are materially underfunded. If sufficient uplifts are not forthcoming then sadly it may be necessary to provide notice on further contracts which do not cover Hft's relatively low-cost base.

The final part of the turnaround programme is ensuring the long-term financing of the organisation is on a stable platform. This will involve the repayment of the bridging loan and overdraft facilitated either through the sale of properties to social landlords (under which arrangement Hft would continue as support provider), through the sale of vacant sites or through the refinancing with lower cost long-term debt. The property strategy is being reviewed as part of this process and in addition to this the organisation is expecting cash inflows in 2024 from properties which have already been planned for, disposed or which will be vacant in year.

All of the considerable work on ensuring financial sustainability is paralleled by a fourth critical priority of improving the quality of the care that we provide to people. In addition to the considerable and stark financial downturn, the regulatory care ratings have also dropped from an average of 91.4% good and outstanding, to a low point of 82% in 23/24. The actions taken in this year, including managerial training and support, an enhanced oversight programme, routine and regular auditing internally and externally, unannounced visits by all levels of the organisation and better feedback processes, have helped Hft to recover this to 84% in first part of FY24/25, but there is some way still to go to fully embed a systematically good approach to care.

Whilst strong progress has been made on the turnaround priorities it will still take several years for the organisation to return to surplus. This is because we are starting from such a significant starting deficit position and a number of the issues facing the organisation are deep-rooted historical issues. Therefore, the second main area of the turnaround plan was on securing resources to fully deliver the turnaround. This was even more important because during 2023 the organisation had needed to liquidate its investments in order to support the turnaround. In March 2024 a £5m bridging loan was secured with a 24-month term. In April 2024 the Lloyds Bank overdraft limit was increased to £7m. These two facilities are secured against properties but as at 31 March 2024 broadly half of the market value of the property portfolio was still unencumbered and the two facilities include the ability for Hft to take out up to a further £10m of borrowings. Along with cash-inflows from the disposal of properties the organisation therefore has the resources it should need to fully deliver the turnaround.

Delivering on the turnaround remains the key priority for the Board of Trustees, Executive Management and the organisation. Through this process the organisation has regularly engaged with key stakeholders including its bankers and lenders, our regulators the CQC and the Charity Commission, Local Authorities, independent professional experts' organisations, Integrated Care Boards, colleagues, people we support and their families.

The net result for 2023/24 was a deficit of £9.2m which was a £6.9m improvement on the £16.1m deficit in the prior year. A key driver of the improvement was the disposal of several properties which generated a gain on disposal of £4.9m, an increase of £3.5m on the prior year. This included the disposal of the Ironbridge site in return for total consideration of £5.2m which includes 13 new homes for supported living which will be

integrated with 80 other homes being developed on the site and replace older, 'campus-style' accommodation on the site.

Housing income increased by £1.8m as housing rents were reset to market rates in order to support improved financial performance. There was a net reduction of £1.7m in IT costs, principally due to the non-repetition of Helix implementation costs from the prior year. The 2022/23 net result included a £0.9m property impairment and there was no impairment in the current year. Offsetting these improvements was a £0.6m increase in care and support costs because inflationary increases, principally due to National Living Wage, were not fully funded by Local Authorities. Of note, and although not evident in the financial performance, due to the limited full year effect, is the remarkable improvement in Q4 of the year in agency reduction, which demonstrates that an experienced, competent and dedicated Executive Team and Board of Trustees can deliver to objectives that we set.

Fundraising, charitable and external affairs has seen some improvement in this year. January 2024 saw Hft launch its 9<sup>th</sup> Sector Pulse Check, and 3<sup>rd</sup> in partnership with Care England. This landmark report gives an in-depth assessment on the state of learning disability and older people's providers of care. This year our reach spread, with over 200 media clips, television and radio interviews. This report helps Hft to solidify its position as a strong voice within the sector and our impact being further than just the people we support. Hft has had good success in charitable fundraising, broadly in-line with its expected targets, with greater success with legacy donations, individual giving and corporate partnership all producing significant income. The new strategy, outlined below will focus our charity and external affairs work to where it has and delivers the greatest impact going forward.

Hft launched its strategy for the next ten years, Your Life, Your Way in spring 2024. This sets out our vision to create a future where learning disabled people can live the best life possible. We're on a mission to change the lives of learning disabled people for the better. So you and your family can live the best life possible. Providing personalised support. Creating solutions for living independently. Coming together to campaign for positive change. Fundraising for new opportunities and a bigger impact. We are rightly proud of this strategy being codeveloped with the people we support, their families and the wider learning disability population, it shows that Hft has the ambition to be truly Learning Disability Allies. Just a few of the fundamental business principles of the 10-year strategy are financial sustainability, workforce development and organisational effectiveness – all areas that will show strongly in the near horizon.

As we look back on what has been an exceptionally challenging period we can reflect on the significant progress made to stabilise Hft's position in the short term and to put in place the building blocks of the turnaround which will deliver a return to a small financial surplus in 2026. We would like to give our thanks to all of our colleagues and key stakeholders and regulators for their continued hard work, belief and support

for Hft throughout this period and for their continued efforts over the coming years to deliver a robust, financially secure organisation which can provide a future for all the people we support where learning disabled people can live the best life possible.

A handwritten signature in black ink, appearing to read 'A. Bunce', on a light-colored background.

Amanda Bunce

Chair of the Hft Board of Trustees

A handwritten signature in black ink, appearing to read 'S. Veevers', on a light-colored background.

Steve Veevers

Chief Executive Officer

26 September 2024

# Strategic Report: Objectives, Activities and Public Benefit

## Aims and objectives

Hft's principal objectives, as stated in the Memorandum and Articles of Association, are as follows:

- To enable and support people with learning disabilities to experience fulfilling lives in ways which maximise their involvement in the community and participation as citizens, and to exercise choice.
- To offer advice to and support for those who care for people with learning disabilities.

## Principal activities

The principal activities of Hft in support of these objectives are as follows:

- The care, support and personal development of adults with learning disabilities provided in supported living and residential settings, and both building-based and home-based day services.
- The delivery of care and support is based on what a 'best life possible' looks like and all the support we offer is aimed at helping people to live with more independence and choice; excellent person-centred support, ensuring we provide quality services that are continually improving through feedback from the people we support, their families and our Involvement team.
- The provision of housing solutions for the people we support; tenancies in flats and shared houses for those in supported living and comfortable, safe spaces for residential houses.

In addition to the funded activities, as a Charity Hft chooses to provide enhanced opportunities for adults with learning disabilities through services funded through fundraised income:

1. Through Project SEARCH we support training opportunities to support people into internships and employment.
2. Our Luv2MeetU is a friendship and relationship service for people with a learning disability. Members have opportunities to make new friends, share interests and develop relationships, helping to combat isolation and loneliness and improve overall health and well-being.

## Public benefit

Hft's Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives, and in developing plans for future activities.

Hft is committed to using a combination of fundraised money and reserves in order to fund the vital charitable services and projects which are provided, over and above the day-to-day delivery of care services on behalf of local authorities.

The principal projects which fall under the charitable projects umbrella are the Family Carer Support Service, the initial set up of Project Search employment support programmes, and the Luv2meetU project.

## Achievements and Performance

Hft's vision is to create a future where learning disabled people can live the best life possible. We are on a mission to change the lives of learning disabled people for the better. So that they and their families can live the best lives possible. Providing personalised support, creating solutions for living independently. Coming together to campaign for positive change and fundraising for new opportunities and a bigger impact.

Following widespread consultation with learning disabled people, their families and our colleagues, we have developed our 10-year strategy, 'Hft 2033: Your Life, Your Way', which was launched earlier in 2024 and runs for 10 years from April 2024. Over the next 10 years to achieve our vision we're working on three priorities. To support learning disabled people and their families we will:

- Enable learning disabled people to explore opportunities, realise their potential and thrive
- Create solutions for living your life independently
- Change society so you can live your life, your way

Underpinning the three priorities are a number of business principles that will help us to succeed. These are strategic alignment, quality and governance, financial sustainability, workforce development, organisational effectiveness and growth impact and reach.

Our previous published strategic plan ran from 2021 to 2024 and set out our three-year plan on becoming the Hft of the future. It focused on building strong foundations to create a sustainable platform for growth and balanced our efforts equally across providing innovative care and support, providing excellent homes and increasing our impact and reach as a charity. These pillars were underpinned by a series of enablers of great governance, financial sustainability, outstanding people, and organisational excellence to become a highly effective organisation.

Our statements reflect progress against 2021 to 2024, with notes on changes to our plans where these have been necessary.

### **Getting the basics right**

*We will 'get the basics right' for all our service delivery models to ensure we deliver and evidence the best life possible for all those we support.*

Our position of 82% of registered services rated as good or outstanding, remains above the sector average despite the significant staffing challenges experienced over the last year. Hft had two services rated as Inadequate by the CQC, and both services have robust improvement plans in place to improve the ratings urgently.

## Financial sustainability

*Our organisation will be financially sustainable through the delivery of funded services and housing. We will invest in the processes, systems, culture and capability to ensure we are robust to both a low fee and rising wage environment.*

The organisation, delivered an improved performance in 2023/24 with a £9.2m deficit compared to the £16.1m deficit in 2022/23. The key drivers of the improved performance are set out in the financial review on page 30.

The £16.1m deficit in the prior year triggered an urgent Turnaround programme across the organisation which commenced in 2023/2024. This, along with improving quality, was the key focus in 2023/24 and will remain the focus in 2024/25 in order to return the organisation to a small surplus and financial sustainability.

The key financial elements of the turnaround plan and progress made to date are as follows:

<b>Priority</b>	<b>Action &amp; Progress</b>
Agency reduction	Agency usage has significantly reduced from its peak in the summer and Autumn of 2023 through a combination of tighter controls, improved rostering and renegotiation of rates with agencies. Agency cost as a % of total staff costs was 24% in autumn 2023, 18% in March 2024 and was 14% on average for the first three months of 2023/24. The long-term objective is to move the organisation towards sector averages of 5% - 8%.
Permanent support worker recruitment	To date permanent recruitment is yet to improve in line with levels targeted in the turnaround plan. However, as a result of strong retention levels the net increase in permanent support worker levels is on track against the target of an average of 15 per month. The filling of vacancies with permanent support workers in turn enables further agency reduction.
Overheads	As a result of corporate and operational restructuring annualised staff costs were reduced by £3.5m through programmes in 2023/24. Further reductions of corporate overheads are now underway which are expected to deliver an additional £1.5m reduction. Corporate overheads as a % of income had reduced from 18% in 2023/24 to 17% in March

	2024 and 14% on average for the first three months of 2024/25.
Borrowing	The organisation entered into a £5m bridging loan in March 2024 which has a 2-year term and the capacity for early repayment. The organisation also secured a £7m overdraft facility. The finance facilities allow for Hft to take out a further £10m of borrowing if required to support it through the turnaround.
Repayment of borrowing	Repayment of the existing borrowing could come from long term debt or from disposal of properties. The organisation is undertaking a detailed review of its housing operations and long-term property strategy.
Non-pay costs	The organisation has so far delivered non-pay benefits of £0.4m including reductions in electricity costs. A further £1.6m of opportunities are currently in planning stages with further opportunities under investigation. The opportunities include all areas of non-pay spend such as property costs, systems, offices, utilities and legal and professional fees.
Income Maximisation	Work is underway to maximise care and support income focused on three areas: <ul style="list-style-type: none"> <li>• Uplifts for the 2024/25 year. The weighted average uplift is currently 6.3% compared to a 7.5% increase in Local Government funding and a 9.8% increase in National Living Wage.</li> <li>• Increases to weekly residential rates which are currently very low and below market based on a widely used industry benchmarking tool.</li> <li>• Review and reimplementation of business development to support the turnaround by growth where it can be delivered in a way which generates a small surplus.</li> </ul>
Housing and Assets realisation	There will be a requirement for some asset sales being necessary to be able to repay our borrowing. Some of this is factored in from existing sales such as an overage payment expected in the second half of 2024 in relation to the 2022 disposal of Milton Heights. Other receipts may come from empty properties. A wider decision on property strategy and the approach to funding the remaining deficit period and

	further inward investment will be informed by a strategic review, including external consultants, which is underway with both Trustees and Executive Management.
--	--

In addition to the above key priorities the organisation also reluctantly had to close and exit several services which had been generating significant deficits. These are expected to reduce the deficit by £1.4m on an annualised basis.

As a result of the turnaround programme the organisation has reduced the monthly operating deficit from a peak of £1.6m in Autumn 2023 to an average of £0.8m for the first three months of 2024/25.

Hft has continued to liaise with CQC Market Oversight and sought professional legal and accounting advice in relation to the options surrounding the turnaround and future of Hft.

### **Systems development**

*We will optimise our central support functions to gain data and insight from our systems and achieve the productivity gains they offer.*

2023/2024 saw the conclusion of the implementation of the last elements of Hft's significant investment in our Helix digital transformation programme which began our journey towards a holistic system, process and culture. The final element of Helix to go live was the invoicing in May 2023. There is further work required to ensure that Hft systems are configured to maximise efficiencies and achieve the expected productivity gains.

### **Complex behavioural needs service**

*Our aim is to deliver consistent and sustainable services for those with complex behavioural needs.*

Our priority continues to be to ensure the health, safety and wellbeing of those people already in our care, including via our Positive Behaviour Support (PBS) team. The PBS team is a dedicated service within Hft, established to ensure that a hands-on approach in the development of specialised behavioural support remains core to Hft's daily operations. The Team promote a positive behavioural support philosophy and continue to demonstrate that through their outcomes reduced levels of challenging behaviour/restrictive practices can be achieved, ultimately supporting an improved quality of life for the people we support.

### **Property management**

*We will be excellent at the development of new homes which complement existing provision and meet identified needs. We will dispose of miscellaneous older stock or sites where reinvestment is not viable and re-circulate receipts within the charity.*

During the year Hft entered into an agreement with Lioncourt Homes to transform its Ironbridge site into 13 fully accessible, future-proofed homes, as part of an inclusive community of 80 properties. Currently, Hft provides support for 33 learning disabled adults, in a campus-style setting on the site where homes were clustered together in one place instead of being part of the local community. In contrast, this new redevelopment will see 13 of these new homes becoming accessible and adaptable supported living dwellings for people we support, enabling greater independence in their everyday lives, and helping them to build meaningful connections and relationships with other residents in the wider community. We've also worked with the local authority, and the Care Quality Commission (CQC) to ensure the redevelopment aligns with their future commissioning strategies, and reflects Homes England's strategic objectives for creating inclusive, future-proofed places.

During the year Hft has disposed of a smaller property and a piece of land which was surplus to its needs and these funds have been utilised within the charity.

## Our Colleagues

As was the case for other organisations in the Social Care Sector 2023/2024 was an extremely challenging year. Our services depend on our highly valued colleagues, who work on established contracts, a flexible casual basis and as volunteers. During the last financial year we have looked at ways of rewarding our colleagues and managed to uplift our pay above the national living wage as well as introducing a wider set of benefits.

Turnaround has required us to look carefully at our organisational structures. Our priority was to protect our support worker numbers. We entered a programme of voluntary redundancies and collective consultation that focused on reducing our management numbers and also the numbers in our central support functions. This also included a reduction in the size of the Executive Team. Saying goodbye to valued colleagues across the organisation is never easy and we have been grateful to our colleagues for entering constructively into consultation supported by our elected Partnership Forum. We expect to achieve £3.5m savings through these changes, making an important contribution to reducing our deficit.

We commit significant time and resource to our Partnership Forum with a network of elected representatives across all of our services. Underpinned by a formal agreement which provides a framework for leadership and all of our colleagues to participate in joint planning and decision-making processes, working as partners. We work to the following principles;

- Joint commitment to the success of the organisation

- Joint recognition of each other's legitimate interests
- Joint commitment to employment security
- Joint focus on the quality of working life
- Joint commitment to operating in a transparent manner
- Joint commitment to add value to the arrangement

Recruitment of permanent colleagues is one of our key Turnaround priorities and continues to be challenging for all of our sector. We have invested in a centralised recruitment team to give our candidates the best possible experience. We have made substantial progress in increasing the numbers of support workers, who we employ directly, month on month. We take the development of our colleagues very seriously too, as we know this translates directly into the quality of care as well as creating the conditions that mean our colleagues choose to stay working at Hft. We are very proud of our investment in the Care Certificate programme for our support worker colleagues and our apprenticeship programmes. These include developing support workers, registered managers and central support colleagues with nationally recognised qualifications. We believe that getting our recruitment right and providing good learning and development contributes to colleague retention. We are proud that our colleague retention is above sector average.

In addition, we have supported the recruitment of a number of Trustees to extend the skills base and diversity of our Trustee Board.

We are privileged to have a diverse group of colleagues. Our commitment to Equity, Diversity and Inclusion underpins our interactions with the people we support and our colleagues. We have begun a review of our Equity, Diversity and Inclusion Roadmap to ensure that we are focused on the actions that drive the most change. After substantial organisation change with a re-energised leadership team and new trustees in place, it's essential that our roadmap reflects current priorities and demographics

## Our Volunteers

We have 31 volunteers contributing in many different roles across Hft – Mentors, Admins, Gardeners, Drivers, Group Facilitators, Lunchtime assistants, Receptionists or helping at day services.

Our volunteers support people to get into the community and access fun activities or to go away and enjoy a short break or holiday. Whether it's supporting people with a learning disability to connect to others, or encouraging people to use their outdoor spaces, learning about growing food and plants, our volunteers help people we support to combat isolation, develop their skills and improve verbal and motor skills.

## Future Plans

Hft's future plans are focused on delivering on the turnaround programme to return the organisation to a financially sustainable position. Further details on the priorities for the turnaround are included above on page 13.

## Structure, Governance and Management

### **Report of the Board of Trustees**

The Board submits its Annual Report and the Financial Statements for the year ended 31 March 2024.

The Annual Report and Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Statement of Recommended Practice 'Accounting and Reporting by Charities' ('FRS102'), and the Charities Act 2011.

### **Constitution and status**

HF Trust Limited ("Hft") is a company limited by guarantee (registration number 734984) registered in England and Wales and a registered charity regulated by the Charity Commission (registration number 313069). The company's governing document is the Memorandum and Articles of Association dated 19 October 2020. Hft is a membership organisation and the liability of each member is £10. Trustees of Hft are either elected by the members or nominated and appointed by the Board of Trustees. Trustees are the Directors of the Company and are also members.

### **Organisational structure and governance Board**

The Board is made up of the Trustees of Hft appointed from the membership. They are a diverse board, drawn from a wide background of demographic attributes and characteristics who also bring together professional, commercial and charitable sector experience. The total number of Trustees cannot be less than eight or more than fourteen.

There were two categories of Trustee as at 31 March 2024. Changes were subsequently made at an Extraordinary General Meeting in July 2024.

a) Elected: A minimum of four and a maximum of seven members who are elected by the Members. Each Elected Trustee is elected for a three-year term and can serve two terms in total. An Elected Trustee must then take a break from office for a period of one year and may only be appointed for a third or further period

of office with the agreement of the Chair and the unanimous consent of the Board and re-election by the Members.

b) Nominated: A minimum of four and a maximum of seven members. Appointed by the Board for their expertise and can serve two three-year terms in total. A Nominated Trustee must then take a break from office for a period of one year and may only be appointed for a third or further period of office with the agreement of the Chair and the unanimous consent of the Board.

In addition, a member can be co-opted by the Board to fill an elected Trustee vacancy during the year. Co-opted Trustees, if they wish to continue, have to seek election at the first Annual General Meeting after their appointment.

Trustees cannot be members of staff and Trustees do not receive any remuneration or any other benefits from Hft other than payment of reasonable expenses.

The primary role of the Board of Trustees is to focus on strategic direction, growth and risk management. The Board of Trustees meets at least 4 times a year, and also holds an Annual General Meeting for members. By invitation, the Executive Board also attend the Board meetings, together with other members of the senior staff management team as appropriate.

Trustee succession planning is part of the annual governance cycle with vacancies being externally advertised. The tailored Trustee induction process ensures that each Trustee is provided with a thorough and comprehensive understanding of Hft, our history, our services and the world in which we operate. The induction programme is also designed so each new Trustee has a full understanding of their role, their legal, regulatory and other responsibilities; and is aware of the commitment required throughout their tenure. Trustees undertake an annual appraisal process, reflecting on individual and collective performance. The outcomes inform the Board's training and development programme which is delivered through a combination of e-learning, formal training courses and remotely held or face to face meetings. In addition, Trustees undertake a number of service visits each year.

### **Board Committees**

The Board of Trustees delegates some of its powers and functions to standing Committees, each of which covers specific aspects of the Charity's work.

Each Committee has its own terms of reference, and their reports are standing agenda items for the main Board meetings. Each Committee is chaired by a Trustee and has at least two other Trustee members. Senior members of staff are invited to attend meetings. The committee structure underwent a further review and update in 2022 (having undergone a review in 2021) and as a result further changes were made to ensure

the work of the committees more effectively supports that of the Board. Committees as at 31st March 2024 were as follows:

<p>Audit &amp; Risk Committee 'ARC'</p>	<p>At least 3 times a year</p>	<ul style="list-style-type: none"> <li>• To support the Trustees and subsidiary Board Members discharge their duties in relation to financial controls accountability, risk management, internal controls, and assurance.</li> <li>• Ensure all risk management, controls and assurance processes are effectively managed across the whole organisation, including the subsidiaries.</li> </ul>
<p>Remuneration and Nominations Committee 'R&amp;N'</p>	<p>At least 3 times a year</p>	<ul style="list-style-type: none"> <li>• To oversee the recruitment of Trustees, the Chair and the Chief Executive Officer and other Board members of subsidiaries where applicable. To approve all Chief Officers' contractual terms and job descriptions including any bonus arrangements and to decide on any changes to the remuneration and eligibility for bonuses.</li> <li>• Support the Chief Executive Officer with the recruitment process for the Chief Officers. Members of the Committee and the Chair of the Board will be on the recruitment panel however the final decision on appointment of Chief Officers (excluding the Chief Executive) remains with the Chief Executive Officer.</li> <li>• Review workforce remuneration and related policies.</li> <li>• Review and monitoring of the organisation's Standing Orders, including the Trustee Code of Conduct and making recommendations to the Board where necessary.</li> <li>• Oversee the external governance review, usually every three years.</li> <li>• Review and recommend amendments to the Memorandum and Articles of Association to the Board and Members.</li> </ul>
<p>Commercial Performance</p>	<p>At least 3 times</p>	<ul style="list-style-type: none"> <li>• Oversight of budgeting and financial planning, financial reporting, and the creation and monitoring</li> </ul>

<p>Committee 'CP'</p>	<p>a year</p>	<p>of internal controls and accountability policies to ensure the organisations financial health.</p> <ul style="list-style-type: none"> <li>• Monitor the performance and risks of commercial activity against the cost benefit targets in the Financial Plan.</li> <li>• Monitor the commercial viability of existing contracts and where appropriate recommend changes to the Board for approval.</li> <li>• Review and where appropriate recommend to the Board approval of new business opportunities</li> <li>• Assess risk appetite as it pertains to expected returns / risk levels and levels of returns on new business and commercial propositions which fall outside of officer delegations and report to the Board on financial viability of the proposals.</li> <li>• Provide the Board with assurances on going concern matters.</li> <li>• Review available financial resources annually, with the report on the principal internal allocation of resources, and to recommend a budget to the Board.</li> <li>• Monitor the Asset Management Strategy including performance of the housing assets.</li> </ul>
<p>Quality and Compliance Committee 'Q&amp;C'</p>	<p>At least 3 times a year</p>	<ul style="list-style-type: none"> <li>• To provide assurance to the Board on all aspects of quality, safeguarding and regulatory standards of care and support.</li> <li>• To ensure that safeguarding issues are considered and addressed at the appropriate level.</li> <li>• To ensure that critical compliance matters are reviewed and managed and make recommendations to the Board on key strategic decisions relating to service provision.</li> <li>• Highlight any areas of risk that the Committee considers unmitigated, or increasing risks to the Audit &amp; Risk Committee / Board.</li> <li>• Review all aspects of Health and Safety, to include reviewing the Health and Safety Policy and</li> </ul>

		recommending its approval to the Board; and monitoring its effectiveness.
--	--	---

Other committees and working parties are established from time to time, in order to address specific issues.

The Trustees who served on the Board and its Committees during the financial year and in the period up to the date of signing are:

<b>Name</b>	<b>Committee membership for the reporting period</b>	<b>Status</b>	<b>Appointed</b>	<b>Current status</b>
Amanda Bunce (Chair)	CP, Q&C, R&N	Nominated	01/02/2018	Active
Simon Jones (Vice Chair from 31.03.2022)	ACR, CP	Elected	20/10/2017	Resigned 20/10/2023
Paul Morgan	R&N	Elected	19/10/2018	Active
John Devapriam	Q&C	Elected	20/06/2019	Active
Irfana Malik	ARC	Nominated	19/09/2019	Active
Timothy Tamblyn	A&R	Nominated	27/05/2021	Active
Annemarie Strong	Q&S, R&N	Elected	27.03.2024 (co-opted from 26/01/2023)	Active
Lesley Hutchinson	CP, Q&C	Elected	09/11/2022	Active
Hugh Piper	CP, R&N	Nominated	26/05/2022	Active
Michael Butler		Nominated	19/12/2023	Active
Jonathan Laredo		Elected	27/03/2024	Active
Des Spencer		Elected	27/03/2024	Active

Hft follows the Charity of Governance Code and endeavours to achieve high standards of governance. Hft's Board commission regular reviews of its governance framework to ensure that appropriate assurance is provided from across the organisation. In July 2024 Hft approved amendments to its governing documents and a revised committee structure that has clear lines of accountability and responsibility including, making revisions to its Standing Orders, Code of Conduct and the Articles of Association to strengthen succession planning.

### **Operational structure**

To deliver our strategy to improve and transform we have to ensure that we have the right leadership, governance and accountability at Executive level.

As at 31 March 2024 the Executive Board was made up of six Chief Officer roles lead by the Chief Executive Officer. The structure underpins a culture where all roles are recognised as contributing in equal measure to the success of Hft.

### **Related parties and subsidiaries**

At the balance sheet date and throughout the year, Hft had three, wholly owned subsidiary companies, which are incorporated in the United Kingdom. Luv2meetU Community Interest Company, undertakes the activities of a friendship agency for adults with learning difficulties. Hft Trading Limited and Hft Property Limited have made no commercial transactions during the year.

### **Equality and Diversity Policy**

Hft's policy states that; We value people equally without discrimination with regard to gender, sexual orientation, age, race, beliefs, culture, chosen lifestyle or disability. This approach applies to the people we support, their families, Hft colleagues and others with whom we have contact. We ensure that the policy is implemented through clear statements in our recruitment advertisements and reinforced in the induction training. Specific training is given to any member of staff in a managerial or recruiter position ensuring that they are aware of the law and Hft's policies.

There are policies in place to:

- Give full and fair consideration to applications for employment with Hft made by disabled persons having regard to their particular aptitudes and disabilities.
- Continue the employment of, and arrange appropriate training for employees of the company who have become disabled persons during their employment.
- Support the training, career development and promotion of disabled persons employed by the company.

Our 'We're Listening' survey, conducted with all our employees has offered valuable insights into our employees' experience and includes critical data on Diversity and Inclusion which we will use as a benchmark to track our progress. The survey enables us to focus on inclusivity by understanding whether our colleagues feel a sense of belonging and are able to be themselves at work.

In 2022 Hft received our certification for Level 2 – Disability Confident Employer status as part of our new three-year Equity, Diversity and inclusion roadmap.

## Modern Slavery Statement

The Modern Slavery Act 2015 introduced changes in UK law focused on increasing transparency in recruitment and supply chains. It sets out a duty on larger organisations to publicly report steps they have taken to ensure their operations and supply chains are trafficking and slavery free. As such any organisation, including charities, which supply goods or services and have a minimum annual turnover of £36 million, are required to produce an annual Anti-Slavery and Human Trafficking Statement that is approved at the highest level in the organisation and is made available on the organisation's website. Our statement can be found at: [www.hft.org.uk/ModernSlaveryActStatement](http://www.hft.org.uk/ModernSlaveryActStatement)

### Fundraising Activity and Standards

Hft is registered with the Fundraising Regulator and adheres to the [Code of Fundraising Practice](#). The generosity of our supporters helps us to support learning disabled adults to live the best life possible. And we promise to treat all supporters with respect, fairness, honesty and clarity in all our fundraising activities.

Our compliance with the Code of Fundraising Practice has oversight from the Board of Trustees. We set out how we comply with the Code of Fundraising Practice, in our public facing fundraising promise to all supporters on the Hft website. Hft fundraising activity also meets the legislative and regulatory requirements of the Gambling Act 2005 and the Gambling Commission regulations.

In 2023/2024 we ensured compliance by:

- Implementing the following new policies and procedures:
  - Accepting and Refusing Gifts and Donations Policy and subsequent Procedure to cover all fundraised donations
  - Events Fundraising Policy
  - Events Fundraising Procedure
  - Supporter Services Procedure
- Holding quarterly compliance review meetings
- Regularly updating and reviewing the Charity and External Affairs Risk Register
- Holding an up-to-date Society Lottery License - South Gloucestershire Council renewed our annual Society lottery registration from the 1st January 2024.
- Having an up-to-date policy on Gaming and Responsible Gambling in place.
- Monitoring and reporting on breaches and near miss breaches - there were no breaches or near misses to report.

### Legacy

It was a successful year for legacy income raising £0.5m.

## **TCS London Marathon**

2023 saw one of our largest teams taking on the iconic TCS London Marathon. We raised just over £23k which smashed our £17k target.

## **Wrag Barn Golf Day**

2023 saw us raise just over £11k which is the most raised in its 33-year history of the event.

## **Choose a Challenge**

Now in its second year, two universities, Bangor and Bristol Universities undertook challenge events for Hft at Machu Picchu and Kilimanjaro, raising £24k to date.

## **National Charity Partnership of The Year**

We secured our first corporate Charity of the Year partnership with Optimum PPS.

## **Special Thanks**

We would like to express our thanks to the following organisations, trusts and individuals who have supported us in the year to 31 March 2024, as well as those who prefer not to be named:

Trusts – year to 31<sup>st</sup> March 2024:

The Helen Roll Charity

The Rowney Trust

The Tula Trust

WCVA (Welsh Council for Voluntary Action)

The Patrick & Helena Frost Foundation

The Percy Bilton Charity

John James Bristol Foundation

The Honeyman Charitable Trust

SIA (Security Industry Authority)

Bradford Metropolitan Council

The Blair Foundation

The Princess Anne's Charities

Barnwood trust

Sheffield Church Burgesses Trust

The Lord Leverhulme's Charitable Trust

Robert Lucas for the Poor & for Public Purposes

Stroud District Council

The Ammeco Trust

David Solomon's Charitable Trust

Froxfield Charitable Trust

The Simon & Elizabeth Batey Charitable Trust  
Gerald Micklem Charitable Trust  
Kingston Nursing Association  
Pat Ripley's Charitable Trust  
The Hadley Trust  
Shepherd Group

### **Investments**

Total invested assets decreased from £7.0m to £0.2m, primarily driven by a disposal of investments in order to support the organisation through the turnaround. The Investec portfolio closed the year at £0.2m (£6.1m 2023). The closing balance principally related to the timing of realisation of the liquidation of investments instructed in late 2023. The Brewin Dolphin portfolio was liquidated during the year in order to provide funds to support the organisation through the turnaround. In total the investments delivered a negative return as there was a net loss of £78k for the year.

### **Environmental Policy and Actions**

During the year the Sustainability Lead post holder left Hft with the position removed from the staffing establishment due to restructuring. As a result of this and the need to focus on the turnaround Hft's first Sustainability Strategy is in draft form with the intention it is approved in 2024/25 for implementation, with the responsibility now with the Head of Asset Management & Development.

Our asset management priorities remain as previous years and are relevant to becoming more sustainable, and in particular we aim to:

- Implement a stock energy efficiency strategy to suppress the impacts of rising fuel costs, reduce energy usage and reduce carbon equivalent emissions, prioritising those properties with an EPC rating lower than a Band C,
- Dispose of miscellaneous older stock or sites where reinvestment is not viable,
- Introduce low carbon and renewable heating measures into more of our properties.

As a result of internal restructuring the Sustainability Taskforce was not active due to the departure of members.

### **Waste and Recycling**

We continue to monitor our waste in more detail to understand how it is being disposed, ensuring we can limit our environmental impact. As per the waste hierarchy, we are thriving to reduce our total waste, and to recycle and compost as much as possible before sending waste to incineration and landfill.

During 2023/2024 the amount of total waste collected from our services and offices amounted to 233.346 tonnes of which:

- 1.055 Tonnes (0.45%) AD – Anaerobic Digestion, this how our food waste is treated and disposed.
- 160.442 Tonnes EFW (68.76%) – Energy from waste turned into a useable form of energy.
- 68.944 Tonnes Recycled (29.55%) - Items such as paper and carboard packing and plastic bottles which can be used to make new packaging.
- 2.905 Tonnes Landfill (1.24%) - Items that cannot be used for recycling or energy and sent to registered landfill sites across the UK.

### Carbon policy and energy and greenhouse gas report

As part of Streamlined Energy & Carbon Reporting (SECR), we are required to report on our annual energy and greenhouse gas emissions. Hft has appointed SHIFT, a leading environmental assessment company with a team of Chartered environmentalists, to independently review its Greenhouse Gas (GHG) emissions in accordance with the UK Government’s environmental reporting guidelines.

The tables below show the total emissions from Scope 1, 2 and 3 sources as well as a breakdown comparison between the 2022/2023 and 2023/2024 financial year emissions and carbon intensity ratios.

Global GHG Emissions & Energy Use Data			
	1st April 2023 - 31st March 2024	1st April 2022 - 31st March 2023	Change
Scope 1	928.64 tonnes CO <sub>2</sub> e	1145.38 tonnes CO <sub>2</sub> e	18.92%
Scope 2	556.84 tonnes CO <sub>2</sub> e	463.20 tonnes CO <sub>2</sub> e	20.22%
Scope 3	179.82 tonnes CO <sub>2</sub> e	200.87 tonnes CO <sub>2</sub> e	10.48%
<b>TOTAL</b>	<b>1665.3 tonnes CO<sub>2</sub>e</b>	<b>1809.45 tonnes CO<sub>2</sub>e</b>	<b>-7.97%</b>

There has been an overall reduction in carbon equivalent emissions, with an increase in Scope 2 emissions which are from purchased electricity used in offices, landlord supply (including into residents’ homes where the cost is recharged) and in connection with transport.

The table below provides more detail into the carbon emissions of Hft during the 2023/2024 financial year within the different scopes.

Current reporting year 1st April 2023 – 31st March 2024	
Emissions from combustion of gas tCO <sub>2</sub> e (Scope 1).	<b>908.10 tonnes CO<sub>2</sub>e</b> 0.91 tonnes CO <sub>2</sub> e office usage 907.19 tonnes CO <sub>2</sub> e landlord supply

Emissions from combustion of fuel for transport purposes (Scope 1).	<b>20.54 tonnes CO2e</b>
Emissions from purchased electricity (Scope 2, location-based).	<b>556.84 tonnes CO2e</b> 26.96 tonnes CO2e office usage 529.54 tonnes CO2e landlord supply 0.34 tonnes CO2e plug-in hybrid charging <i>See below for transmission and distribution losses</i>
Total gross CO2e based on above.	<b>1,485.47 tonnes CO2e</b> <i>Excludes Scope 3 emissions</i>
Energy consumption used to calculate above emissions: kWh – optional to provide separate figures for gas, electricity, transport fuel and other energy sources.	Gas: 4,964,215.63 kWh Electricity: 2,691,130.01 kWh Transport fuel: 83,366.93 kWh <b>Total: 77,387,12.57 kWh</b>
Intensity ratio: tCO2e gross figure based on mandatory fields above (e.g., £100,000 revenue).	<b>1.68 tonnes CO2e/£100,000 revenue</b>
Methodology.	SHIFT methodology <a href="#">SECR Reporting   SHIFT Environment</a> Using Defra 2023 Conversion Factors in line with Environmental Reporting Guidelines (2019) as the majority of the financial year falls into the calendar year 2023.

## Internal Controls Statement

The HF Trust Limited (Hft) Board has overall responsibility for establishing and maintaining the whole system of internal control for Hft and its subsidiaries and for reviewing its effectiveness.

The Hft Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of Hft's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which is embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which Hft is exposed and is consistent with Turnbull principles.

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes the items listed below:

- Identification and evaluation of key risks.
- Management responsibility has been clearly defined for the identification, evaluation and control of risks.
- There is an ongoing process of management review in the different areas of Hft's activities.

- The Executive Board considers and receives reports on significant risks facing Hft and is responsible for reporting any significant changes affecting key risks.
- The Audit & Risk Committee has responsibility for monitoring progress to mitigate risk which it does at every meeting.
- Each Committee of the Board on its area of responsibility considers opportunities and risk; providing challenge and instruction to the Executive, and where appropriate escalates risks to the Audit & Risk Committee and to the Hft Board.

As a commercial business, providing care, support and housing to people while being a registered charity, Hft operate with several themed risks being managed at the corporate level.

The Board confirms that there has been no breakdown in internal control resulting in material losses, other than the contingencies or uncertainties which would require disclosure in the financial statements during the year.

### Principal Risks and Uncertainties

Principal Risks to Hft	Controls in place to mitigate these risks
<p>Failure to provide safe, high quality care and support for the people we support in line with our obligations regarding Duty of Care.</p>	<ul style="list-style-type: none"> <li>• Policies and operating standards in place.</li> <li>• Registered managers in place who are responsible for the delivery of care and support.</li> <li>• Leadership structure in place with leaders who have accountability for delivering care and support services.</li> <li>• Internal quality assurance framework.</li> <li>• External quality assurance via selective 'mock CQC' assessments</li> <li>• Mandatory training completion.</li> <li>• Incident reporting and complaints systems in place.</li> <li>• Service Development team to support service turnaround.</li> </ul>
<p>Failure to generate sufficient income and maintain economic solvency and cashflow leaving Hft unable to achieve its financial commitments or deliver services to people we support.</p>	<ul style="list-style-type: none"> <li>• Turnaround programme in place targeted at delivering a return to financial sustainability for the organisation. This includes agency reduction, permanent support worker recruitment, reduction in corporate overheads, increasing income through renegotiation of historically low rates with local authorities, ensuring sufficient finance is available through loans and overdrafts, ensuring there is a plan in place to finance the organisation in the longer term.</li> <li>• Finance reporting statements, ownership and accountabilities.</li> </ul>

	<ul style="list-style-type: none"> <li>• Regular reporting financial KPI's against turnaround metrics.</li> <li>• Regular cash-flow forecasting.</li> <li>• Financial systems and data management used to provide timely visibility of financial performance across the organisation.</li> <li>• Business case evaluation and sign off.</li> <li>• Review of performance with the regulator and other key stakeholders.</li> </ul>
<p>Failure to recruit, retain and invest in an effective workforce which results in increased agency spend and reduced quality.</p>	<ul style="list-style-type: none"> <li>• New management structure in place across Care and Support to strengthen operational management.</li> <li>• Investment in a centralised recruitment model including new senior recruitment roles.</li> <li>• Ongoing pay reviews including market benchmarking to ensure pay is competitive against other providers and relevant sectors.</li> <li>• Work ongoing to streamline recruitment process</li> <li>• EAP programme and Hardship fund.</li> <li>• Range of employee benefits introduced to support the retention of staff.</li> <li>• Leadership meetings and Colleague inclusion group.</li> </ul>
<p>Failure to imbed appropriate management and governance systems.</p>	<ul style="list-style-type: none"> <li>• Recruitment, induction and training processes.</li> <li>• Management structures supported by policies and procedures.</li> <li>• External support to improve risk and governance frameworks.</li> <li>• Schedule of matters to include review and monitoring of regulation and compliance.</li> </ul>

## Directors' and Officers' Liability Insurance

Hft and its subsidiary companies have insurance to cover Trustees' and Officers' liability to the value of £10m, as permitted by the Companies Act 2006 at a cost of £13k (2023: £13k).

### **Consideration of the directors' Responsibilities**

#### **Section 172 Statement:**

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

#### **The likely consequence of any decision in the long term**

Our strategic objectives are part of a long-term strategy to improve the lives of people with learning disabilities both now and in the future. We review external developments and policy, and horizon scan for future trends, and ensure that our plans can be adapted as needed to meet changing circumstances and ensure sustainability.

#### **The interest of the company's employees**

Our employees are vital to Hft and we regard on-going, regular engagement with them as a top priority. Employee engagement is important to us at Hft. We involve the Partnership Forum at early stages in decision making and they meet regularly with the Executive team to share thoughts, plans and opinions. During the year they are consulted and their approval accredited on new policies, strategy, wellbeing, retention, face to face training and employee awards.

#### **The need to foster the company's business relationships with suppliers, customers and others**

Our relationship with partners, funders, suppliers, local authority commissioners, the people we support and their families are key to our effectiveness. We work with them closely to develop mutually beneficial relationships.

#### **The impact of the company's operations in the community and the environment**

We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. More information on how we care for the environment can be found in our Carbon Policy and Energy and Greenhouse Gas Report at page 25.

#### **The desirability of the company maintaining a reputation for high standards of business conduct**

Our reputation and public trust in Hft are fundamental to our future success. We use our organisational values and behaviours in our requirement for and training of both employees and volunteers to ensure that we maintain high standards. We lay out our expectations within our colleague code of practice and discuss

performance during supervisions, continuing conversations and appraisals. Our procurement and ethical policies and procedures ensure that our values also are a key part of our selection of partners and suppliers. We are regulated by the Care Quality Commission and the Charity Commission and our CQC results are publicly available.

**The need to act fairly as between members of the company**

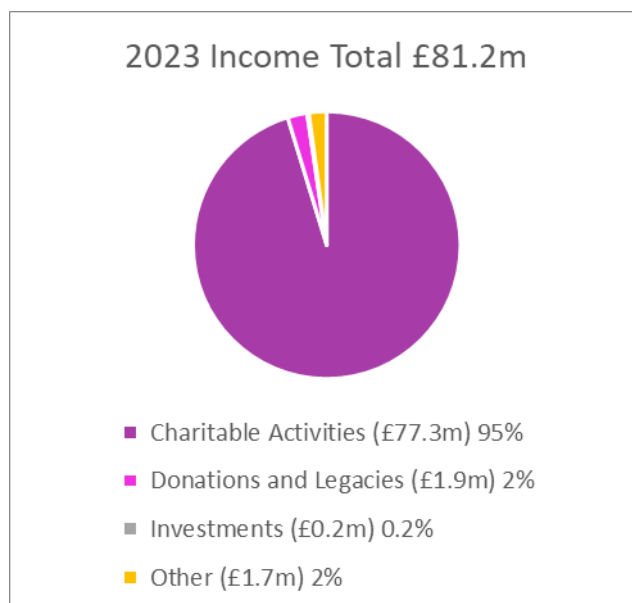
We aim to be a fully inclusive organisation which is relevant and accessible for anyone with a learning disability, their families and our colleagues. We will not unfairly discriminate against anyone.

## Financial Review

### Income

Income from charitable activities includes service fee income, special projects and community interest company income. In addition to this are trading activities, fundraising, and investment income. Total income from organisational activities increased to £89.4m (2023: £81.2m), with an increase in charitable activities of £5.8m, a £0.6m reduction in donations and legacies, a £0.2m reduction in investment income as the investments were liquidated part way through the year and a £3.2m increase in other income which is principally gains on property disposals.

Fee income from the provision of care services to Local Authorities in the UK in the year of £83.1m represents an increase of 7% on 2023: £77.3m. The increase is principally due to uplifts in hourly rates from Local Authorities, however these were not sufficient to cover the inflation cost increases of which the biggest driver was the 9.7% increase in National Living Wage. Fee income delivered 94% of total income compared to 95% in 2023. The asset disposals during the year included the sale of three properties and generated a gain on disposal of £4.9m (2023: £1.5m).



## Expenditure

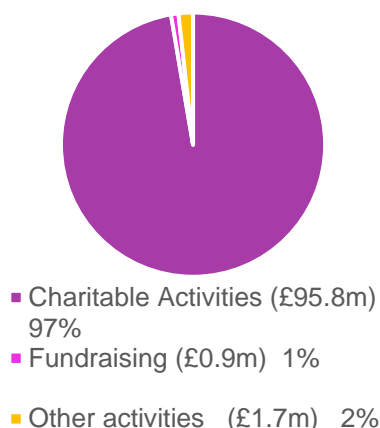
Total expenditure in the year to 31 March 2024 was £98.4m, a £1.5m increase on 2023 (2023: £96.9m).

Care and Support services costs increased in the year for which the key drivers were the increase in the agency hours required increasing the agency cost burden and increased staff costs due to pay inflation including the National Living Wage increase from £9.50 per hour to £10.42 per hour.

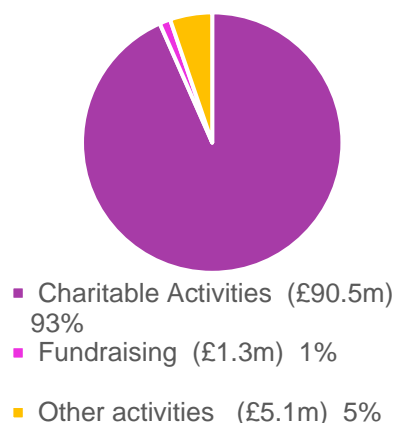
Exceptional costs (as included within other activities below) decreased by £3.4m to £1.7m in 2023/2024 consisting of £0.3m of implementation costs relating to the Helix transformation project and £1.4m of redundancy and legal and professional costs relating to the turnaround.

The Helix project refers to a programme to implement new systems within Hft through the upgrade of systems, better management of data and improvement to processes. The project, launched in 2021/2022 and completed in 20/23

2024 Expenditure Total £98.4m



2024 Expenditure Total £96.9m



## The income and costs and surpluses of the core operational services are as follows:

	2024 £'000	2023 £'000
Services income (note 3b)	82,887	76,805
Services direct costs (note 8)	(83,096)	(78,456)
<b>Services deficit before support costs</b>	<b>(209)</b>	<b>(1,651)</b>
Support costs (note 8)	(10,428)	(10,043)
<b>Services deficit after support costs</b>	<b>(10,637)</b>	<b>(11,694)</b>

As the above table shows the performance of the core operational services (excluding exceptional items) improved by £1.1m compared with the prior year with the turnaround programme positively impacting the financial performance of the services compared to 22/23. Revenue increased by £6.1m whilst direct costs increased by £4.6m and support costs increased by £0.4m.

A range of performance indicators are used to measure financial and operational activity and to highlight trends and potential risks. Throughout the year, the following key performance indicators are monitored and reported monthly, these are the annual comparisons:

	2024	2023
Fee Income per day (£k)	227	212
Total Employment Costs (TEC) as % income	70	67
Agency costs as % Total Employment Costs	21	19
Fundraising income v expenditure	3:2	3:2

Fee income from local authorities increased slightly reflecting in the increase in hourly rates from Local Authorities. Agency costs as a percentage of total employment costs increased reflecting increasing usage across the organisation in the period up to the Autumn when the turnaround plan started to deliver lower agency costs. As agency was also increasing through 2023 the initial months in 2023 had lower agency than the corresponding period in 2024. Fundraising income was lower than the prior year and expenditure was correspondingly reduced resulting in a similar ratio of fundraising income to expenditure.

### Trading activity

The principal component of trading activities is the sale of seasonal cards and gifts which remains inactive within the year. The company is dormant with no trading activity within the year (2023: £nil).

### Charity projects

The net cost on special projects in the year to 31 March 2024 of £1.0m is a £0.5m decrease on the 2022/2023 net cost of £1.5m.

Special projects include income and expenditure relating to the public benefit projects such as Personalised Technology project.

## Balance Sheet

Total Funds have decreased by £9.2m as a result of the year's activities; the main changes in the balance sheet during the year are as follows:

- Tangible fixed assets decreased by £1.8m due to property disposals
- Investments decreased by £6.8m due to the liquidation of investments in order to support the turnaround programme
- Cash decreased by £1.3m due to the operating deficit incurred.
- Debtors falling due after more than one year increased by £2.4m reflecting the homes due to be received from the developer of the Ironbridge site. In total debtors increased by £4m in relation to homes due in relation to the development of the Ironbridge site.
- Creditors falling due after more than one year increased by £5m reflecting a bridging loan taken out in order to provide sufficient funds to enable the organisation to deliver the turnaround. The bridging loan has a 24 month period through to March 2026 and can be repaid early with no penalty clause.
- In addition the organisation secured a £7m overdraft facility with Lloyds Bank to provide working capital throughout the turnaround period. At the end of 31 March 2024 the overdraft was not drawn down as the Lloyds Bank account was in positive funds.
- Tangible fixed assets decreased by £1.7m to £51.2m which is principally due to the disposal of properties
  - Disposals of tangible fixed assets with a Net Book Value of £3.6m
  - Additions of £0.9m
  - Impairment charge of £0.9m relating to six properties.

## Reserves

At 31 March 2024 the total funds of the charity were £48.7m of which £16.2m were restricted leaving a total of unrestricted funds of £32.5m.

The general reserve policy states that there should be sufficient reserves to cover 3 months payroll which amounts to £15.3m. Due to the operational challenges faced by Hft in the year ended 31 March 2024 this policy has not been met and at 31 March 2024 the general reserves are in a deficit position of £7.9m (2023: Deficit of £1.3m). However, at 31 March 2024 within the designated funds balance there is £4.4m of realisable property and in addition Hft has an overdraft facility with Lloyds of £7m and has within its existing facilities the capacity to take out up to a further £10m of borrowing which when added to the reserves provides Hft with 3 months cover of payroll costs.

As explained in the note to the financial statements the Trustees have designated £40.4m of funds for fixed assets and capital projects, the reduction of £1.4m reflects the disposal of land and buildings during the

period and all depreciation and impairment charges. The undesignated funds balance decreased in the year to a deficit balance of £7.9m reflecting the operational deficit. The turnaround programme discussed in the Trustees' Report will return the undesignated funds balance to a surplus. The designated funds are made up of property assets originally held for the long term to provide care to the people we support but the requirement to hold these properties is under review as part of the turnaround project and where appropriate, certain properties will be considered for potential sale.

### **Investment powers, policy and objectives**

Investment powers are governed by the Articles of Association, which permit the funds to be invested in the manner shown in note 12 to the financial statements. During the year ended 31 March 2024 the investments were largely liquidated in order to provide sufficient funds to support Hft through the turnaround. Hft employs professional investment managers to advise on and invest the portfolio in accordance with the investment policy and mandate which is given to them.

### **Going Concern**

The Trustees have reviewed the group's and the charity's forecasts and projections covering a period exceeding 12 months from the date of signing of the financial statements.

In the prior period, the Trustees agreed to a turnaround programme which is intended to return the organisation to a financially sustainable operating surplus. This programme had a number of elements to it which included improving operational performance from both a financial and quality perspective, ensuring there was sufficient liquidity to deliver the turnaround and ensuring there is a plan to repay the debt and ensure the organisation is sustainable in the long term. As set out in the financial sustainability section on p11 the organisation is on track against the key turnaround objectives. It has halved the monthly operating deficit and has a plan to return the organisation to a surplus by the end of the 2025/26 financial year. The organisation has a £5m bridging loan, a £7m overdraft subject to annual renewal which is next due in August 2025, and the capacity to take out further borrowing as and when required to ensure it has sufficient funds throughout the turnaround period.

Accordingly, the going concern basis has been used in preparing these financial statements. In the prior year the Trustees reported that they consider there to be a material uncertainty in relation to the ability to deliver the turnaround plan and property disposals in line with the timetable required. This was because the turnaround plan requires delivery of multiple streams of activity at the same time against a backdrop of competing demands and external pressures and this may have affected Hft's capacity to deliver the plan. As set out above Hft has delivered largely in line with the plan and therefore the risk of it not delivering on the turnaround plan has significantly reduced. There is however still some way to go across a number of workstreams to deliver the organisation to a small surplus from an operating perspective.

The funding required for the turnaround plan is no longer entirely dependent on the disposal of properties in the short to medium term but this could be met through additional borrowing. The organisation has shown that it has the security in the form of properties and the professional capacity and funder relationships to put in place further borrowing in a matter of months.

Therefore, whilst strong progress has been made against the turnaround plan and the risks are significantly reduced from the prior year, the Trustees do still consider there is material uncertainty in relation to the ability to deliver the turnaround plan including obtaining the required funding in line with the timetable required, which may cast significant doubt on the charity's ability to continue as a going concern.

## Statement of Trustees' responsibilities

The Trustees (who are also directors of HF Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these 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;
- make judgments 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 charitable 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 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 auditor is 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 auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Report of the Board and Incorporated Strategic Report were approved and signed on behalf of the Board of Trustees by:

A handwritten signature in black ink, appearing to read 'A. Bunce', is written over a light blue rectangular background.

**Amanda Bunce**  
**Chair**

26 September 2024

# Independent Auditor's Report to the members of HF Trust Limited

## Opinion

We have audited the financial statements of HF Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Group and Charitable Company Balance Sheets, the Group and Charitable Company Cash Flow Statements and notes to the financial statements, including 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 group's and the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the trustees of the group and parent charitable company consider there to be a material uncertainty in respect of achievement of the turnaround plan including obtaining the required funding in line with that timetable. As stated in note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

## Other information

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 35, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Care Act 2014. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and

transactions entered into outside the normal course of business, challenging judgments and estimates and performing substantive test of details over income.

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

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

NICHOLAS SLADDEN (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street,

London,

EC4A 4AB

3 October 2024

# Consolidated Statement of Financial Activities

for the year ended 31 March 2024

(including Consolidated Income and Expenditure Account)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2024 £'000	Total 2023 £'000
<b>Income and endowments from:</b>					
Donations and legacies	3	744	531	1,275	1,924
Charitable activities	3	83,130	-	83,130	77,347
Investments		8	-	8	168
Other	7	4,949	-	4,949	1,748
<b>Total</b>		<b>88,831</b>	<b>531</b>	<b>89,362</b>	<b>81,187</b>
<b>Expenditure on:</b>					
Raising funds	8	866	-	866	1,318
Charitable activities	8	93,250	995	94,245	90,505
Other	8	3,339	-	3,339	5,085
<b>Total</b>	8	<b>97,455</b>	<b>995</b>	<b>98,450</b>	<b>96,908</b>
Losses on investments	12	(78)	-	(78)	(399)
<b>Net expenditure</b>	9	<b>(8,702)</b>	<b>(464)</b>	<b>(9,166)</b>	<b>(16,120)</b>
<b>Transfers Between Funds</b>	23	<b>778</b>	<b>(778)</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(7,924)</b>	<b>(1,242)</b>	<b>(9,166)</b>	<b>(16,120)</b>
Total funds brought forward	19	40,430	17,468	57,898	74,018
<b>Total funds carried forward</b>	19	<b>32,506</b>	<b>16,226</b>	<b>48,732</b>	<b>57,898</b>

## Balance Sheet

As at 31 March 2024

	Notes	Group		Company	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Fixed assets</b>					
Intangible assets	11 (a)	637	876	637	876
Tangible assets	11 (b)	51,178	52,959	51,178	52,959
Investments	12	222	6,979	222	6,979
<b>Total fixed assets</b>		<b>52,037</b>	<b>60,814</b>	<b>52,037</b>	<b>60,814</b>
<b>Current assets</b>					
Stocks		-	5	-	-
Debtors: amounts falling due within one year	13	8,855	6,000	8,850	6,025
Cash at bank and in hand	14	643	1,930	550	1,842
<b>Total current assets</b>		<b>9,498</b>	<b>7,935</b>	<b>9,400</b>	<b>7,867</b>
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	15	9,656	10,494	9,578	10,443
<b>Net current liabilities</b>		<b>(158)</b>	<b>(2,559)</b>	<b>(178)</b>	<b>(2,576)</b>
<b>Total assets less current liabilities</b>		<b>51,879</b>	<b>58,255</b>	<b>51,859</b>	<b>58,238</b>
Debtors Amount falling due after more than one year	13	2,383	-	2,383	-
<b>Creditors</b>					
Amounts falling due after more than one year	15	5,250	250	5,250	250
Provisions for liabilities	16	280	107	280	107
Pension liability	23	-	-	-	-
<b>Net assets</b>		<b>48,732</b>	<b>57,898</b>	<b>48,712</b>	<b>57,881</b>
<b>The funds of the group/company</b>					
Restricted funds	19/22	16,226	17,468	16,226	17,468
General reserve	19	(7,878)	(1,330)	(7,898)	(1,347)
Designated funds	19/21	40,384	41,760	40,384	41,760
<b>Unrestricted funds</b>	19	<b>32,506</b>	<b>40,430</b>	<b>32,486</b>	<b>40,413</b>
<b>Total funds</b>	20/21	<b>48,732</b>	<b>57,898</b>	<b>48,712</b>	<b>57,881</b>

As permitted by s408 Companies Act 2006, the Charity has not presented its own Income and Expenditure and related notes. The Charity's deficit for the year was £9,169k (2023 – deficit £16,087k).

The financial statements on pages 41 to 72 were approved and authorised for issue by the Hft Limited Board of Trustees and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A. Bunce', is centered within a light grey rectangular box.

**Amanda Bunce**

Chair

26 September 2024

# Cashflow Statement

for the year ended 31 March 2024

	Notes	Group		Company	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Cash flows from operating activities:</b>					
Net cash provided by operating activities		(14,832)	(8,020)	(14,839)	(8,070)
<b>Cash flows from investing activities:</b>					
Proceeds from sale of property, plant and equipment		2,749	4,139	2,749	4,139
Purchase of property, plant and equipment		(860)	(874)	(860)	(874)
Purchase of intangible assets		-	-	-	-
Proceeds from sale of investments		6,656	16	6,656	16
Net cash used in investing activities		8,545	3,281	8,545	3,281
<b>Cash flows from financing activities:</b>					
Repayments of borrowing		-	(148)	-	(148)
Cash inflows for new borrowing		5,000	-	5,000	-
Net cash used in financing activities		5,000	(148)	5,000	(148)
Change in cash and cash equivalents in the reporting period		(1,287)	(4,887)	(1,234)	(4,937)
Cash and cash equivalents at the beginning of the reporting period		1,930	6,817	1,842	6,779
Cash and cash equivalents at the end of the reporting period		643	1,930	548	1,842
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>					
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>					
		(9,166)	(16,120)	(9,169)	(16,087)
<b>Adjustments for:</b>					
Depreciation and amortisation charges	11	1,127	1,308	1,127	1,308
Investment management charges	12	23	44	23	44
Losses on investments	12	78	399	78	399
Returns on investment and servicing of finance		-	(173)	-	(173)
Profit on the sale of tangible fixed assets		(4,940)	(1,470)	(4,940)	(1,470)
Fixed asset impairment	11 (b)	(56)	943	(56)	943
Decrease in stock		5			
Decrease/ (increase) in debtors		(1,238)	3,509	(1,233)	3,452
Increase / (decrease) in creditors		(558)	3,444	(558)	3,418
Increase/ (decrease) in provisions		(107)	96	(107)	96
Net cash provided by operating activities		(14,832)	(8,020)	(14,839)	(8,070)
<b>Analysis of cash and cash equivalents</b>					
Cash at bank and in hand		643	1,930	548	1,842
<b>Total cash and cash equivalents</b>		<b>643</b>	<b>1,930</b>	<b>548</b>	<b>1,842</b>

# Notes to the Financial Statements

## 1. PRINCIPAL ACCOUNTING POLICIES

Hf Trust Limited is a private company limited by guarantee (registration number 734984) and registered charity regulated by the Charity Commission (registered number 313069) with a registered address at 5/6 Brook Office Park, Folly Brook Road, Emerson's Green, Bristol.

### **Basis of preparation**

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments to market value and on a going concern basis. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

Hft meets the definition of a public benefit entity under FRS 102.

A summary of the more important group accounting policies, which have been applied consistently, is set out below.

### **Going Concern**

The Trustees have reviewed the group's and the charity's forecasts and projections covering a period exceeding 12 months from the date of signing of the financial statements.

In the prior period, the Trustees agreed to a turnaround programme which is intended to return the organisation to a financially sustainable operating surplus. This programme had a number of elements to it which included improving operational performance from both a financial and quality perspective, ensuring there was sufficient liquidity to deliver the turnaround and ensuring there is a plan to repay the debt and ensure the organisation is on a long term sustainable. As set out in the financial sustainability section on p11 the organisation is on track against the key turnaround objectives. It has halved the monthly operating deficit and has a plan to return the organisation to a surplus by the end of the 2025/26 financial year. The organisation has a £5m bridging loan, a £7m overdraft subject to annual renewal which is next due in August 2025, and the capacity to take out further borrowing as and when required to ensure it has sufficient funds throughout the turnaround period.

Accordingly, the going concern basis has been used in preparing these financial statements. In the prior year the Trustees reported that they consider there to be a material uncertainty in relation to the ability to deliver the turnaround plan and property disposals in line with the timetable required. This was because the turnaround plan requires delivery of multiple streams of activity at the same time against a backdrop of competing demands and external pressures and this may have affected Hft's capacity to deliver the plan. As set out above Hft has delivered largely in line with the plan and therefore the risk of it not delivering on the turnaround plan has significantly reduced. There is however still some way to go across a number of workstreams to deliver the organisation to a small surplus from an operating perspective.

The funding required for the turnaround plan is no longer entirely dependant on the disposal of properties in the short to medium term but this could be met through additional borrowing. The organisation has shown that it has the security in the form of properties and the professional capacity and funder relationships to put in place further borrowing in a matter of months.

Therefore, whilst strong progress has been made against the turnaround plan and the risks are significantly reduced from the prior year, the Trustees do still consider there is material uncertainty in relation to the ability to deliver the turnaround plan including obtaining the required funding in line with the timetable required, which may cast significant doubt on the charity's ability to continue as a going concern.

### **Basis of consolidation**

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement include the financial statements of the company and its subsidiaries made up to 31 March 2024. Intra group transactions and profits are eliminated fully on consolidation.

The results of the subsidiary undertakings are shown in the consolidated statement of financial activities within income and expenditure. The assets and liabilities of the subsidiary undertakings are combined with those of the company in the consolidated balance sheet and consolidated cash flow statement on a line by line basis. A separate statement of financial activities for the company is not presented as permitted by section 408 of the Companies Act 2006.

### **Income**

Income from all sources is included in the statement of financial activities at its fair value on a receivable basis, subject to the following specific criteria:

1. Donations are recognised as soon as there is evidence of entitlement, subject to any conditions attached it is probable that the income will be received and the amount can be measured reliably.
2. Legacies are recognised on receipt of income or on formal notification of entitlement to the income within a short timeframe where the income is reliably measurable.

3. No amounts are included in the financial statements in respect of services donated by volunteers.

### **Income from charitable activities**

Fees receivable and charges for services and projects are accounted for in the period in which the service is provided or the project undertaken.

### **Other income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item (s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

### **Grant income**

Grant income is recognised when recognition criteria are fulfilled, and deferred into future periods if it is a multi-period grant.

### **Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. All irrecoverable VAT on costs is charged as a cost against the activity for which the expenditure was incurred.

### **Expenditure on raising funds**

Expenditure incurred on raising funds does not include the costs of promoting or marketing the charity and is apportioned to individual restricted funds on the basis of funds raised during the year.

### **Expenditure on charitable activities**

Service costs comprise the direct and indirect costs, including colleagues, attributable to the delivery of front-line care services for service users.

### **Apportionment of support costs**

Support costs are apportioned to activities, based on the relative income of the activities.

### **General reserve**

The general reserve comprises the working capital operating reserve of the group.

### **Designated funds**

The designated capital project fund comprises unrestricted funds that have been set aside by the Board of Trustees to be expended on specific current capital development commitments. The aim and use of each designated fund are set out in the notes to the financial statements.

The designated fixed asset fund represents the aggregate net book value of tangible fixed assets acquired or constructed partly or fully from unrestricted funds, less associated mortgage liabilities.

### **Restricted funds**

The restricted project fund comprises funds, which are to be used in accordance with specific restrictions imposed by donors, or which have been raised by the charity for particular purposes. The cost of raising such funds is charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

The restricted fixed asset fund represents the aggregate net book value of tangible fixed assets acquired or constructed partly or fully from restricted funds.

### **Intangible fixed assets**

Intangible fixed assets represent the cost of purchasing, configuring and bringing to operational readiness significant computer software applications, which have an anticipated life of between 5 to 10 years. These assets are amortised on a straight-line basis over their estimated lives, once they are fully operational.

### **Tangible fixed assets**

All tangible fixed assets are included in the financial statements on initial recognition at cost. Individual assets with a cost below £2,500 (£500 for laptops/desktops) are not capitalised unless they form part of a series of purchases in respect of the fitting out of a new service or project. Irrecoverable VAT incurred on the purchase of fixed assets is included in the capitalised cost.

### **Impairment of Intangible Fixed Assets**

Hft is required to conduct annual impairment reviews on intangible fixed assets if there is an indication that impairment may have occurred. In general, where the calculated “value in use” is lower than book value, an impairment adjustment is made.

The “value in use” for intangible assets is calculated based on discounted future cashflows for the organisation. The “value in use” calculation as at 31st March 2024 used a discount rate of 6.35%, applied to cash flows extending over the remaining contractual term of the assets of 2.5 years. The impairment charge made in the year was £Nil (2023 £Nil).

### **Impairment of Tangible Fixed Assets**

Hft is required to conduct annual impairment reviews of its housing properties. Other fixed assets are also reviewed for impairment.

Hft is required to make critical judgements and assessments against each housing property that is reviewed. A full market survey and valuation exercise of all housing property was carried out in October 2022. For the year ended 31<sup>st</sup> March 2023 these market values represented the best estimate of recoverable amount when determining the need for an impairment charge for each cash generating property unit. Where the survey market values indicated that prior year's impairment provisions were no longer required for a property unit then the prior year provisions were reversed. Full market valuations are carried out every four years.

A review of housing price changes from 31<sup>st</sup> March 2023 until 31<sup>st</sup> March 2024 was carried out and used to indicate whether an impairment was required. Where the price change indicated that an impairment was no longer required then the prior year provisions were reversed. Overall there was a small reversal in net impairment values in the year of £60k (2023: increase in impairment of £900k).

## Depreciation

Depreciation is calculated to write off the cost of buildings, plant and equipment over their expected useful lives at the following rates, on a straight-line basis:

	<b>2024</b>	<b>2023</b>
Assets due for disposal	Nil	Nil
Freehold land	Nil	Nil
Freehold buildings and additions	0-5% pa on cost	0-5%% pa on cost
Cyclical refurbishment of buildings	15% pa on cost	15% pa on cost
Equipment	8 - 15% pa on cost	8 - 15% pa on cost
Computers	33 $\frac{1}{3}$ % pa on cost	33 $\frac{1}{3}$ % pa on cost
Motor vehicles	25% pa on cost	25% pa on cost

Assets in the course of construction are not depreciated until complete.

## Operating leases

Income and costs in respect of operating leases are respectively credited and charged to the Statement of Financial Activities on a straight-line basis over the lease term.

## Provisions

### Dilapidation

Provisions for dilapidations are recognised on a lease by lease basis and are based on the best estimate of the likely committed expenditure.

### Onerous lease

Hft provides for all future lease costs where there is no reasonable expectation of future operating income exceeding the remaining costs of the lease relating to the leased asset.

## **Stocks**

Stocks are stated at the lower of cost and net realisable value.

## **Taxation**

No provision for Corporation Tax has been made in these financial statements as the company, a registered charity, is entitled to certain exemptions on its charitable activities. Taxation recoverable represents amounts deducted at source in respect of gift aid donations from individuals.

## **Investments**

Listed investments are recognised at cost and valued at fair value based on bid price at the balance sheet date. Realised and unrealised gains or losses on revaluation or disposal are combined in the Consolidated Statement of Financial Activities. Income from these investments is recognised in the year in which it arises.

## **Pension scheme arrangements**

During the year, the group operated eleven pension schemes (see note 24). Contributions to the Charity's pension schemes are charged to the Statement of Financial Activities in the year in which they become payable.

- The Hft RBS Trustees commenced winding up The Hft Retirement Benefits Scheme or "RBS" in February 2022. The investment assets were disinvested and the proceeds transferred to a buy-in insurance policy. The Hft RBS Trustees commenced winding up the RBS with a final payment being made in February 2022. The Hft RBS pension scheme was formally closed in October 2023 and all liabilities subject to the floating charge were settled in full.
- The HF Trust Limited group personal pension plan provided by Aegon was moved into Aegon Retirement Choices (ARC) in 2019 with members having their own self-invested personal pension plan (SIPP) with ARC. The pension is open to certain categories of Hft employees.
- Contributions have been made into either the National Health Service Pension Fund or the West Yorkshire Pension Fund (part of the Local Government Pension Scheme), in respect of colleagues who transferred to Hft under the Bradford day services contract.
- Contributions have been made into the Oxford County Council Pension Fund (part of the Local Government Pension Scheme); in respect of colleagues who transferred to Hft under the Oxford Vale contract.

- From April 2013, contributions have been made into the Care Fund Limited group personal pension plan, in respect of colleagues joining Hft on the acquisition of the Care Fund group; with effect from the date of commencement of automatic enrolment in to The Peoples Pension Scheme (see below), the Group Personal Pension Plan closed to new members.
- From April 2013, contributions have been made into a Scottish Equitable personal pension plan, in respect of colleagues joining Hft on the acquisition of the Care Fund group. This pension plan is closed to new members.
- From April 2013, contributions have been made into a Friends Provident personal pension plan, in respect of colleagues joining Hft on the acquisition of the Care Fund group. This pension plan had one member who left in the year and the scheme is now closed.
- Following the commencement of automatic enrolment, from November 2013 contributions have been made into The Peoples Pension Scheme. This is the only pension scheme offered to new members of staff.
- From April 2013, contributions have been made into a Standard Life personal pension plan, in respect of colleagues joining Hft on the acquisition of the Care Fund group. This pension plan is closed to new members.
- From April 2016, contributions have been made into a Nest pension plan, in respect of colleagues joining Hft on the acquisition of The Edward Lloyd Trust. This pension plan is closed to new members.
- From April 2016, contributions have been made into a Legal & General pension plan, in respect of colleagues joining Hft on the acquisition of The Edward Lloyd Trust. This pension plan is closed to new members.
- From February 2019, contributions have been made into the Clwyd pension scheme in respect of colleagues joining Hft on the acquisition of Flintshire day services contract.

### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, which are described in this note, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

### **Depreciation and the remaining useful life of fixed assets**

The remaining useful life and expected residual values of the group's freehold buildings is a key area of estimation.

### **Provision for dilapidation**

Provisions for dilapidations are in relation to liabilities existing in respect of land and buildings held under operating leases. They are held at a value of the expected remaining charge on the lease and costs in association with bringing the relevant property into an acceptable state as agreed by both parties.

### **Impairment review**

Asset impairments have the potential to significantly impact the financial results. In order to determine whether impairments are required the Charity estimates the recoverable amount of the asset.

This calculation for intangible assets is based on projecting future cash flows over a period to obtain a current value ('value in use') and the result is compared to the net book value held, any deficit in value has been charged as an impairment against the assets.

The recoverable amount for tangible fixed assets is based on market valuations carried out every four years. When a market valuation is not undertaken the recoverable amount of each housing property is based on value in use. This requires estimates to be made in respect of future economic benefit to be derived from the underlying asset.

### **Receivable due in relation to Ironbridge development**

During the year Hft entered into a contract to redevelop the land at Ironbridge. In exchange for the land Hft received £1.96m in cash and will additionally receive 13 purpose built homes which will be transferred to Hft on completion. At 31 March 2024 the development of the site had commenced and the construction of the Hft homes was ongoing. A receivable has been recognised in the accounts for £4m in respect of the homes to be built. The market value of the homes is expected to be £6m - £6.5m. However, as the homes are not yet complete the value of the receivable recognised has been capped at the value of a financial bond agreed between both parties and a Bank. The bond would deliver £4m to Hft in the event of the non-performance of the developer.

## 2. PRIOR YEAR CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000
<b>Income and endowments from:</b>			
Donations and legacies	1,163	761	<b>1,924</b>
Charitable activities	76,903	444	<b>77,347</b>
Investments	168	-	<b>168</b>
Other	1,748	-	<b>1,748</b>
<b>Total</b>	<b>79,982</b>	<b>1,205</b>	<b>81,187</b>
<b>Expenditure on:</b>			
Raising funds	1,318	-	<b>1,318</b>
Charitable activities	89,375	1,130	<b>90,505</b>
Other	5,085	-	<b>5,085</b>
<b>Total</b>	<b>95,778</b>	<b>1,130</b>	<b>96,908</b>
Net gains/(losses) on investments	(399)	-	<b>(399)</b>
<b>Net income/(expenditure)</b>	<b>(16,195)</b>	<b>75</b>	<b>(16,120)</b>
Net movement in funds	(16,195)	75	<b>(16,120)</b>
Total funds brought forward	56,625	17,393	<b>74,018</b>
Total funds carried forward	40,430	17,468	<b>57,898</b>

## 3. INCOME AND ENDOWMENTS

### a) Donations and legacies

Group and Company	2024 £'000	2023 £'000
Strategic Partnerships	280	230
Regional & community	351	177
Donor marketing	192	226
<b>Donations</b>	<b>823</b>	<b>633</b>
Legacies	452	1,291
<b>Total donations and legacies</b>	<b>1,275</b>	<b>1,924</b>

Included within donations is £34k of Gift Aid reclaimed (2023: £49k). Income from Friends Groups of £8k (2023: £10k) is included in donations and includes amounts held by groups.

The expenditure incurred by the Friends Groups has remained minimal during the year and continues to not be material in results based on management estimates. It has not proved practical to obtain expenditure records from individual Friends Groups; however, the Board does not consider that the effect is material and it has no effect on the net incoming resources for the year (2023: no effect).

## b) Income from Charitable Activities

Group and Company	2024 £'000	2023 £'000
Service income	82,887	76,805
Special projects	173	457
Community Interest Company income	70	85
<b>Total</b>	<b>83,130</b>	<b>77,347</b>

## 4. HFT TRADING LIMITED

Hft has a wholly owned subsidiary, which is incorporated in England and Wales, with a registered office at 5/6 Brook Office Park, Folly Brook Road, Emersons Green, Bristol. Hft Trading Limited (company registration 02764761) is dormant. A summary of the net assets is shown below.

	2024 £'000	2023 £'000
Current assets	22	22
Current liabilities	(28)	(28)
Net liabilities	(6)	(6)

## 5. HFT PROPERTY LIMITED

Hft has a wholly owned subsidiary, which is incorporated in the England and Wales, with a registered office at 5/6 Brook Office Park, Folly Brook Road, Emersons Green, Bristol. Hft Property Limited (company registration 03216502) is dormant. A summary of the net assets is shown below.

	2024 £'000	2023 £'000
Current assets	4	4
Current liabilities	(6)	(6)
Net liabilities	(2)	(2)

## 6. LUV2MEETU COMMUNITY INTEREST COMPANY

Hft is the sole member of a company limited by guarantee. Luv2meetU Community Interest Company (company registration 07399511) is incorporated as a Community Interest Company and is registered in England and Wales, with a registered office at 5/6 Brook Office Park, Folly Brook Road, Emersons Green, Bristol and the operating office address at Euroway House, Roydsdale Way, Bradford, BD4 6SE. A summary of the trading results is shown below.

	2024 £'000	2023 £'000
Turnover	70	85
Operating expenditure	(65)	(74)
Net income	5	11
Retained profit brought forward	25	15
Tax charge	(1)	(1)
Retained in subsidiary	29	25
Current assets	73	67
Current liabilities	(44)	(42)
Net assets	29	25

## 7. OTHER INCOME

Other income comprises:

	2024 £'000	2023 £'000
Miscellaneous Income	9	31
Exceptional (CV19 and business interruption claim)	-	247
Gains on disposal of tangible fixed assets	4,940	1,470
<b>Total other income</b>	<b>4,949</b>	<b>1,748</b>

## 8. EXPENDITURE

a) Analysis of expenditure	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	Total 2024 £'000	Total 2023 £'000
Raising funds	603	103	160	866	1,318
<b>Charitable activities:</b>					
Service costs	68,541	14,299	10,428	93,268	88,499
Special projects	727	250	-	977	2,006
	69,268	14,549	10,428	94,245	90,505
<b>Other:</b>					
Marketing and publicity costs	303	106	-	409	541
Investment management fees	-	-	-	-	44
Exceptional costs	967	684	-	1,651	3,619
Governance	-	-	1,211	1,211	881
Interest Payable	-	68	-	68	-
	1,270	858	1,211	3,339	5,085
<b>Total expenditure</b>	<b>71,141</b>	<b>15,509</b>	<b>11,799</b>	<b>98,450</b>	<b>96,908</b>

Exceptional costs include costs totalling £1.4m incurred as part of the turnaround programme begun in the summer of 2023 to improve the underlying operating financial performance of Hft. These turnaround costs include £0.9m related to staff redundancy costs and £0.5m related to professional fees. Exceptional costs

associated with the final elements of the Helix system implementation totalled £0.3m (FY23 £2.7m).  
 Exceptional costs in FY23 included an annual impairment cost of tangible assets of £0.9m (FY24 nil).

b) Analysis of support costs	Raising funds costs	Service costs	Total 2024	Total 2023
	£'000	£'000	£'000	£'000
Operations	40	2,584	2,624	2,443
Human Resources	28	1,831	1,859	1,968
Finance and Company Secretary	18	1,230	1,248	1,413
Estates	27	1,761	1,788	2,112
Information Technology	31	1,975	2,006	1,423
Governance	18	1,193	1,211	916
Corporate Management	16	1,047	1,063	1,078
<b>Total support costs</b>	<b>178</b>	<b>11,621</b>	<b>11,799</b>	<b>11,353</b>

c) Analysis of professional and Trustee costs	2024	2023
	£'000	£'000
Internal assurance	33	68
External audit, tax advice and assurance	132	77
Legal, professional & consultancy fees	488	342
Trustee expenses and meeting costs	1	10
Trustee liability and other insurance costs	40	20
<b>Total professional and Trustee costs</b>	<b>694</b>	<b>517</b>

## 9. NET EXPENDITURE

Net expenditure is stated after charging/(crediting):	2024 £'000	2023 £'000
Operating lease charges:		
Land & buildings	1,223	803
Motor vehicles	409	484
Auditor's remuneration (company £47k; 2022: £47k)	96	71
Auditor's remuneration – tax advice, assurance reports	4	6
Impairment of fixed assets	(56)	943
Depreciation	889	896
Amortisation	239	412
(Profit) on the sale of fixed assets	(4,940)	(1,470)

## 10. EMPLOYEES

The average number of persons employed by the group & parent charity during the year and their salary and wages costs were:

	2024		2023	
	Number	£'000	Number	£'000
<b>Salaries:</b>				
Fundraising	29	1,035	24	853
Services & Projects	2,179	48,591	2,203	45,649
Special Projects	17	410	30	649
Support & Governance	153	6,063	371	7,492
	<u>2,377</u>	<u>56,099</u>	<u>2,628</u>	<u>54,643</u>
<b>Other staff costs:</b>				
National Insurance costs		4,685		4,540
Pension costs		1,262		1,242
		<u>62,046</u>		<u>60,425</u>

The total emoluments of employees earning more than £60k (including benefits in kind, but excluding employer's pension contributions) fall within the following bandings:

	2024 No.	2023 No.
£60,001 - £70,000	-	6
£70,001 - £80,000	1	4
£80,001 - £90,000	-	-
£90,001 - £100,000	-	2
£100,001 - £110,000	1	1
£120,001 - £130,000	1	-
£130,001 - £140,000	2	-
£150,001 - £160,000	-	1
£180,001 - £190,000	1	-

For those colleagues whose emoluments exceed £60k per annum, pension contributions amounting to £45k (2023: £24k) were paid for the provision of money purchase benefits. All of these staff benefits accrued under the Group Personal Pension Plan.

Included within these employment costs are redundancy and termination payments totalling £98k (2023: £218k). These payments are recognised as soon as the liability to the charity crystallises under the terms of the agreement with the employee.

Key management personnel are deemed to be the Trustees together with the Executive Management team. The total emoluments of the Executive Management team were as follows:

Group and parent	2024 £'000	2023 £'000
Emoluments	1,002	737
Employer's national insurance contributions	109	93
Employer's pension fund contributions	45	26
	<b>1,156</b>	<b>856</b>

No member of the Executive management team received any other remuneration such as long-term incentive schemes, shares or compensation for loss of office. No member of the Executive Management team waived any emoluments.

The Trustees received no emoluments during the year (2023: £Nil). The aggregate amount of expenses incurred by Trustees during the year amounted to £Nil (2023: £Nil).

## 11. (a) INTANGIBLE FIXED ASSETS

Group and company	Computer software £'000
Cost:	
At 1 April 2023	3,299
Additions	-
At 31 March 2024	<b>3,299</b>
Amortisation:	
At 1 April 2023	2,423
Charge for the year	239
At 31 March 2024	<b>2,662</b>
Net book value:	
At 31 March 2024	<b>637</b>
At 31 March 2023	876

## 11. (b) TANGIBLE FIXED ASSETS

Group & Company		Freehold land & buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost:	At 1 April 2023	<b>72,562</b>	<b>1,322</b>	<b>662</b>	<b>74,546</b>
	Additions	858	3	-	861
	Disposals	(2,327)	(7)	-	(2,334)
	At 31 March 2024	<b>71,093</b>	<b>1,318</b>	<b>662</b>	<b>73,073</b>
Depreciation:	At 1 April 2023	<b>20,009</b>	<b>916</b>	<b>662</b>	<b>21,587</b>
	Charge for the year	810	79	-	889
	Impairment reversal	(56)	-	-	(56)
	Disposals	(518)	(7)	-	(525)
	At 31 March 2024	<b>20,245</b>	<b>988</b>	<b>662</b>	<b>21,895</b>
Net book value:	At 31 March 2024	<b>50,848</b>	<b>330</b>	<b>-</b>	<b>51,178</b>
	At 31 March 2023	<b>52,553</b>	<b>406</b>	<b>-</b>	<b>52,959</b>

In the opinion of the Trustees the market value of the land and buildings above is in excess of the carrying value of the land and buildings above.

## 12. FIXED ASSET INVESTMENTS

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Market value:				
At 1 April 2023	<b>6,979</b>	7,265	<b>6,979</b>	7,265
Income reinvestment	-	173	-	173
Disposal	<b>(6,656)</b>	(16)	<b>(6,656)</b>	(16)
Net loss on investment assets	<b>(79)</b>	(399)	<b>(79)</b>	(399)
Investment management charges	<b>(22)</b>	(44)	<b>(22)</b>	(44)
<b>At 31 March 2024</b>	<b>222</b>	6,979	<b>222</b>	6,979

Investments are represented by:

	Cost	Market Value		Gross Income	
	2024 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Investments listed in the UK:					
Common investment funds	60	<b>57</b>	54	-	1
Fixed interest	-	-	995	-	36
Equity shares	-	-	722	-	43
Property and other funds	84	<b>74</b>	1,168	-	46
Cash	91	<b>91</b>	300	-	1
Interest	-	-	18	-	-
	<b>234</b>	<b>222</b>	3,257	-	127
Investments listed outside the UK:					
Equity shares	-	-	2,499	-	10
Fixed interest	-	-	1,223	-	36
<b>Company &amp; Group</b>	<b>234</b>	<b>222</b>	6,979	-	173

During the year investments with a value of £6.7m were sold to provide cash funds for the charity's operations. There are no particular investments which are considered to be individually material in the context of the overall investment portfolio, in either year. Hft owns the whole of the issued share capital of Hft Trading Limited: 100 ordinary shares of £1 each issued at par. Hft Trading Limited is registered in England and Wales.

Hft owns the whole of the issued share capital of Hft Property Limited: two ordinary shares of £1 each issued at par registered in England and Wales. In addition, as the sole member of a company limited by guarantee, Hft wholly controls Luv2meetU Community Interest Company. Luv2meetU Community Interest Company is incorporated as a Community Interest Company and registered in England and Wales.

### 13. DEBTORS

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Due within one year:</b>				
Loan due from Hft Trading Limited	-	-	-	10
Other amounts due from subsidiary Hft Trading Limited	-	-	-	15
Loan due from Dimensions (UK) Ltd	42	42	42	42
Fees and grants	5,701	3,893	5,701	3,893
Other debtors	31	31	31	31
Prepayments	535	574	535	574
Accrued income	929	1,460	929	1,460
Ironbridge consideration	1,617		1,617	
	<b>8,855</b>	<b>6,000</b>	<b>8,855</b>	<b>6,025</b>

#### Due after one year

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Ironbridge consideration	2,383	-	2,383	-
	<b>2,383</b>	<b>-</b>	<b>2,383</b>	<b>-</b>

The loan due from Hft Trading Limited is unsecured and renewable annually. Interest is charged at the base lending rate of Lloyds Bank plc.

The loan due from Dimensions (UK) Limited represented an advance for the purchase of a property and was secured against this property. The loan was repayable only on the sale of the property, together with specified proportions of the excess of the sale proceeds over the advance. The loan carries no interest.

### 14. CASH AT BANK AND IN HAND

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Cash and bank balances	643	1,930	548	1,842
	<b>643</b>	<b>1,930</b>	<b>548</b>	<b>1,842</b>

## 15. CREDITORS

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Due within one year:</b>				
Trade creditors	1,494	1,401	1,546	1,401
Taxation and social security payable	1,317	1,147	1,317	1,147
Other creditors	240	17	159	17
Accruals	3,974	6,486	4,255	6,435
Deferred income	2,631	1,443	2,631	1,443
	<b>9,656</b>	<b>10,494</b>	<b>9,907</b>	<b>10,443</b>
<b>Due after more than one year:</b>				
Mortgage loans (see note 19)	5,250	250	5,250	250
	<b>5,250</b>	<b>250</b>	<b>5,250</b>	<b>250</b>
<b>Mortgage loans – repayable after more than one year:</b>				
Between one and two years	5,000	-	5,000	-
In more than five years	250	250	250	250
	<b>5,250</b>	<b>250</b>	<b>5,250</b>	<b>250</b>

## Deferred income reconciliation

	Group £'000	Company £'000
At 1 April 2023	1,443	1,443
Released during year	(1,443)	(1,443)
Provided during year	2,631	2,631
At 31 March 2024	<u>2,631</u>	<u>2,631</u>

Deferred income comprises income received in respect of fees relating to services provided after 31 March 2024.

## 16. PROVISIONS FOR LIABILITIES

Group & Company - Movement during the year	At 1 April 2023 £'000	Additions £'000	Releases £'000	At 31 March 2024 £'000
Dilapidation	107	173	-	<b>280</b>
	<u>107</u>	<u>173</u>	<u>-</u>	<u><b>280</b></u>

## 17. INTEREST FREE LOANS

The interest free loans are repayable on demand. At 31 March 2024, the interest free loans were wholly covered by cash and investments.

## 18. MORTGAGE

Mortgage loans	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Cornwall County Council	250	250	250	250
The Care Home Lender	5,000	-	5,000	-
	<u>5,250</u>	<u>250</u>	<u>5,250</u>	<u>250</u>

The mortgage loan of £250k is an interest free loan secured by a first charge on the freehold property of the Cornwall Day Centre which is held in the books with a net book value of £448k. The loan will become repayable if Hft should terminate the agreement, dated January 1992, with Cornwall County Council for the provision by Hft of accommodation and services for individuals with learning disabilities. In addition, the loan will become repayable if Hft should sell, lease or cease to use the day centre for individuals with learning disabilities.

On 18<sup>th</sup> March 2024 Hft received a loan for £5,000k from The Care Home Lender Ltd secured against 7 Hft freehold properties. The loan is repayable within 2 years.

## 19. STATEMENT OF FUNDS

	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Unrestricted Funds £'000	Total Funds £'000
<b>Company</b>					
<b>At 1 April 2023</b>	17,468	(1,347)	41,760	40,413	57,881
Income	531	88,761	-	88,761	89,292
Expenditure	(995)	(96,012)	(1,376)	(97,388)	(98,383)
Transfer	(778)	778	-	778	-
Other recognised gains /(losses)		(78)	-	(78)	(78)
<b>At 31 March 2024</b>	<b>16,226</b>	<b>(7,898)</b>	<b>40,384</b>	<b>32,486</b>	<b>48,712</b>
<b>At 1 April 2022</b>	17,393	11,614	44,961	56,575	73,968
Income	1,205	79,941	-	79,941	81,146
Expenditure	(1,130)	(92,503)	(3,201)	(95,704)	(96,834)
Other recognised gains /(losses)	-	(399)	-	(399)	(399)
<b>At 31 March 2023</b>	<b>17,468</b>	<b>(1,347)</b>	<b>41,760</b>	<b>40,413</b>	<b>57,881</b>
<b>Group</b>					
<b>At 1 April 2023</b>	17,468	(1,330)	41,760	40,430	57,898
Income	531	88,831	-	88,831	89,362
Expenditure	(995)	(96,079)	(1,376)	(97,455)	(98,450)
Transfer	(778)	778	-	-	-
Other recognised gains /(losses)	-	(78)	-	(78)	(78)
<b>At 31 March 2024</b>	<b>16,226</b>	<b>(7,878)</b>	<b>40,384</b>	<b>32,506</b>	<b>48,732</b>
<b>At 1 April 2022</b>	17,393	11,664	44,961	56,625	74,018
Income	1,205	79,982	-	79,982	81,187
Expenditure	(1,130)	(92,577)	(3,201)	(95,778)	(96,908)
Other recognised gains /(losses)	-	(399)	-	(399)	(399)
<b>At 31 March 2023</b>	<b>17,468</b>	<b>(1,330)</b>	<b>41,760</b>	<b>40,430</b>	<b>57,898</b>

### Restricted funds

Comprises the project fund and the fixed asset fund (see note 22).

## Unrestricted funds

The general reserve represents the working capital operating reserve of the group. This was negative at 31 March 2024 due to the deficits incurred during the financial year. The designated fund comprises the capital project fund and the fixed asset fund (see note 22).

## 20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Representation of fund balances	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
<b>Group</b>					
Tangible & intangible assets	10,545	636	40,634	<b>51,815</b>	53,835
Fixed asset investments	-	222	-	<b>222</b>	6,979
Cash and bank balances	5,681	(5,038)	-	<b>643</b>	1,930
Other current assets	-	8,855	-	<b>8,855</b>	6,005
Current liabilities	-	(9,656)	-	<b>(9,656)</b>	(10,494)
Long-term net liabilities	-	(2,617)	(250)	<b>(2,867)</b>	(250)
Provision for liabilities and charges	-	(280)	-	<b>(280)</b>	(107)
Net assets	16,226	(7,878)	40,384	<b>48,732</b>	57,898
<b>Company</b>					
Tangible & intangible assets	10,545	636	40,634	<b>51,815</b>	53,835
Fixed asset investments	-	222	-	<b>222</b>	6,979
Cash and bank balances	5,681	(5,131)	-	<b>550</b>	1,842
Other current assets	-	8,855	-	<b>8,855</b>	6,025
Current liabilities	-	(9,583)	-	<b>(9,583)</b>	(10,443)
Long-term liabilities	-	(2,617)	(250)	<b>(2,867)</b>	(250)
Provision for liabilities and charges	-	(280)	-	<b>(280)</b>	(107)
Net assets	16,226	(7,898)	40,384	<b>48,712</b>	57,881

Prior year Representation of fund balances	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
<b>Group</b>					
Tangible & intangible assets	10,949	876	42,010	<b>53,835</b>	57,881
Fixed asset investments	-	6,979	-	<b>6,979</b>	7,265
Cash and bank balances	6,519	(4,589)	-	<b>1,930</b>	6,817
Other current assets	-	6,005	-	<b>6,005</b>	9,514
Current liabilities	-	(10,494)	-	<b>(10,494)</b>	(7,198)
Long-term liabilities	-	-	(250)	<b>(250)</b>	(250)
Provision for liabilities and charges	-	(107)	-	<b>(107)</b>	(11)
Net assets	17,468	(1,330)	41,760	<b>57,898</b>	74,018
<b>Company</b>					
Tangible & intangible assets	10,949	876	42,010	<b>53,835</b>	57,881
Fixed asset investments	-	6,979	-	<b>6,979</b>	7,265
Cash and bank balances	6,519	(4,677)	-	<b>1,842</b>	6,779
Other current assets	-	6,025	-	<b>6,025</b>	9,477
Current liabilities	-	(10,443)	-	<b>(10,443)</b>	(7,173)
Long-term liabilities	-	-	(250)	<b>(250)</b>	(250)
Provision for liabilities and charges	-	(107)	-	<b>(107)</b>	(11)
Net assets	17,468	(1,347)	41,760	<b>57,881</b>	73,968

## 21. DESIGNATED FUNDS – GROUP

Designated funds comprise the following individual funds:

Representation of designated funds	At 1 April 2023 £'000	Expenditure £'000	Fixed asset transfers £'000	Fund transfers £'000	At 31 March 2024 £'000
Designated fixed asset fund	41,760	(1,376)	-	-	<b>40,384</b>

Prior year representation of designated funds	At 1 April 2022 £'000	Expenditure £'000	Fixed asset transfers £'000	Fund transfers £'000	At 31 March 2023 £'000
Designated fixed asset fund	44,961	(3,201)	-	-	<b>41,760</b>

The fixed asset fund represents the net book value of all unrestricted tangible fixed assets, less associated mortgage liabilities.

## 22. RESTRICTED FUNDS – GROUP AND COMPANY

	At 1 April 2023	Income	Transfer	Expenditure	At 31 March 2024
	£'000	£'000	£'000	£'000	£'000
<b>General service restrictions:</b>					
Gloucestershire	122	-	-	-	122
Sheffield	17	-	-	(3)	14
The Wirral	23	-	-	-	23
Kent South	92	3	-	(2)	93
South Oxfordshire	23	-	-	-	23
Herts & Essex	73	14	-	-	87
Devon	338	-	-	(62)	276
Leeds	36	3	-	-	39
Bedfordshire	90	11	-	(39)	62
Arden Vale	20	-	-	-	20
Cornwall	99	16	-	(20)	95
Kingston-upon-Thames	40	-	-	(3)	37
North Oxfordshire	32	-	-	(4)	28
Bristol	16	10	-	(10)	16
Bradford	15	-	-	15	-
Kent North	137	-	-	(137)	-
Sussex	308	5	-	(130)	183
Shropshire	23	10	-	(5)	28
Leicestershire	36	3	-	(18)	21
London	40	-	-	(40)	-
Lancashire	15	-	-	(3)	12
Newcastle	5	-	-	-	5
Flintshire	33	106	-	(6)	133
Other project grants: L2MU, PT	709	165	452	(10)	1315
Newcastle Edward Lloyd Trust	877	-	-	-	877
<b>Other restrictions:</b>					
Edenbridge legacy	645	-	-	-	645
Extra Special Trust	778	-	(778)	-	-
Tiverton Drop-In Centre	57	-	-	-	57
Design for Life - East Midlands	408	-	-	-	408
Design for Life - Lancashire	50	-	-	-	50
West Sussex - Community Fund	137	-	-	-	137
General Regional Funds	452	-	(452)	-	-
Others Grants & Donations	773	185	-	(99)	860
Restricted project fund	6,519	531	(778)	(591)	5,681
Restricted fixed asset fund	10,949	-	-	(404)	10,545
<b>Total restricted funds</b>	<b>17,468</b>	<b>531</b>	<b>(778)</b>	<b>(995)</b>	<b>16,226</b>

**General Service restrictions:** Funds donated specifically for services which comprises of donations to be spent locally on people we support and larger donations to be spent on building works.

**Edenbridge Legacy:** A specific donation of £1m from Mrs Potts for general use benefitting the people we support in Kent North – funds have been used to develop the hostel on site.

**Extra Special Trust** : Donated £774k for the income to be used to provide people we support with exceptional items to enhance their lives. Subsequent to the 31 March 2023 year-end a review was undertaken of the Extra Special Trust by Trustees which concluded the Trust formed part of General Reserves and the balance was therefore transferred in the 2023/2024 financial year. The Extra Special Trust was liquidated in December 2023 to ensure the organisation had sufficient funds to enable it to continue to operate.

**Tiverton Drop-in Centre:** In 2009 Sea Mead Charitable Trust donated £408k to support development of the Tiverton Drop-in Centre and to support an individual in his woodwork craft.

**Design for Life - East Midlands:** For the building and furnishing of 8 apartments in Kibworth Leicestershire.

**Design for Life – Lancashire:** A long term appeal headed primarily by Andrew Collinge and Joan McClarnon to refurbish buildings at Stanley Grange, Preston. The majority of these funds were transferred with the sale of Stanley Grange in the year ending 31st March 2016.

**West Sussex - Community Fund:** Since 2011 the Gerald Micklem Charitable Trust has donated £458k primarily for day services at Walberton concentrating mainly on Sussex Orchards. Money is given annually for the coming financial year.

**General Regional Funds:** Regional fundraising for general regional purposes, for future services and goods that are not funded by Local Authorities. In order to simplify reporting the General Regional Funds have been consolidated into Other Grants and Donations.

**Other grants & donations:** This includes individual smaller donations.

## **23. PENSION COMMITMENTS**

### **(a) Self-Invested Personal Pension**

The HF Trust Limited group personal pension plan provided by Aegon was moved into Aegon Retirement Choices (ARC) in 2019 with members having their own self-invested personal pension (SIPP) with ARC. The pension remains open to certain categories of Hft employees.

The assets of the plan, which are held separately from those of the company, are invested with Aegon Plc. The pension charge for the year was £157k (2023: £116k). The charge for the year includes £ 98k (2023: £111k) contributed under an employee salary-sacrifice scheme. An amount of £Nil was owing to the plan in respect of contributions as at 31 March 2024 (2023: £26k).

Contributions paid and costs incurred, by the company, are charged as expenditure in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes in FRS 102.

In respect of the NHS pension scheme, and the West Yorkshire Pension Fund and the Oxford County Council Pension Fund, the main contributory bodies to these 3 schemes are publicly funded statutory bodies. Hft is responsible, under the agreements by which it provides pensions from these 3 pensions funds to its colleagues, for the contributions in respect of those employees only, and has no liability for any other participating entities' obligations in respect of the schemes.

As a part of the new service in Flintshire Hft pays into the Clwyd Pension Fund. Contributions into the scheme totalled £78k (2023: £92k) during the year with £8k (2023: £7k) owing to the scheme in respect of contributions.

#### **(b) Care Fund Group Personal Pension Plan**

During the year, contributions have been made to the Care Fund Limited group personal pension plan in respect of employees transferred on acquisition of the Care Fund group. With effect from the date of commencement of automatic enrolment into The Peoples Pension Scheme (see below), the Group Personal Pension Plan closed to new members.

Contributions paid and costs incurred, by the group, are charged to expenditure in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes in FRS 102.

The assets of the plan, which are held separately from those of the group, are invested with Standard Life plc. The pension charge for the year was £12k (2023: £19k). An amount of £Nil was owing to the plan in respect of contributions as at 31 March 2023 £2k (2022: £2k).

#### **(f) The Peoples Pension Scheme**

To meet its legal obligations, from its staging date of 1 September 2013, the group commenced automatic enrolment of staff into The Peoples Pension Scheme; the scheme operates under a Master Trust.

Contributions paid and costs incurred, by the group, are charged as expenditure in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes in FRS102.

The pension charge for the year was £913k (2023: £921k). An amount of £180k was owing to the plan in respect of contributions as at 31 March 2024 (2023: £171k).

### (g) Other pension schemes

During the year, contributions have been made towards schemes in respect of employees transferred on acquisition of the Care Fund group and the Edward Lloyd Trust. The group contributions to this plan are fixed amounts, dependent on individual contracts of employment.

Contributions paid & costs incurred, by the group, are charged as expenditure in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes in FRS 102.

The assets of the plan, which are held separately from those of the group, are invested with Scottish Equitable plc, Friends Provident plc, Nest and Legal & General. The pension charge for the year was £5k (2023: £6k). An amount of £1k was owing to the plan in respect of contributions as at 31 March 2024 (2023: £Nil).

## 24. FINANCIAL COMMITMENTS

Total minimum commitments for non-cancellable operating leases are as follows:	2024		2023	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Amounts payable within one year	770	277	556	329
Amounts payable between one and five years	2,211	511	1,470	654
Amounts payable in over five years	2,410	-	1,805	1
	<b>5,391</b>	<b>786</b>	<b>3,831</b>	<b>984</b>

## 25. CAPITAL COMMITMENTS

There are no capital commitments to report.

## 26. CONTINGENT LIABILITIES

There are no contingent liabilities to report.

## 27. POST BALANCE SHEET EVENTS

There are no post balance sheet events to note.

## 28. RELATED PARTY TRANSACTIONS

HF Trust Limited is the parent company within a group that prepares consolidated financial statements. The parent company has the following transactions with other group companies:

Hft has a loan of £10k due and an outstanding balance of £15k from Hft Trading Limited.

Hft has no outstanding balance due from LUV2MEETU CIC. Costs of £44k were recharged to LUV2MEETU CIC (2023: £38k).

**1 Related transactions in parent company for year ending 31 March 2024:**

	Sales £'000	Purchases £'000	Debtor £'000	Creditor £'000
Hft Property Limited	-	-	-	-
Hft Trading Limited	-	-	25	-
Luv2meetU	44	-	-	-
<b>Total</b>	<b>44</b>	<b>-</b>	<b>25</b>	<b>-</b>

**2 Related transactions in parent company for year ending 31 March 2023:**

	Sales £'000	Purchases £'000	Debtor £'000	Creditor £'000
Hft Property Limited	-	-	-	-
Hft Trading Limited	-	-	25	-
Luv2meetU	38	-	-	-
<b>Total</b>	<b>38</b>	<b>-</b>	<b>25</b>	<b>-</b>

During the year, no Trustees of Hft were also Trustees of related parties.

**29. CAPITAL**

The charity is a parent company limited by guarantee. Each member has undertaken to contribute £10 to the assets of the group to meet its liabilities if called on to do so. The total amount guaranteed by members at 31 March 2024 is £1k (2023: £1k).

**30. FINANCIAL INSTRUMENTS**

The company's financial instruments are as follows:

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Financial assets</b>				
Debt instruments				
Loan due from Dimensions UK	42	42	42	42
<b>Total</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>
<b>Equity Investments</b>				
Listed investments	222	6,979	222	6,979
<b>Financial Liabilities</b>				
Mortgage loans	5,250	250	5,250	250
Interest free loans	-	-	-	-
<b>Total</b>	<b>5,250</b>	<b>250</b>	<b>5,250</b>	<b>250</b>

## Equity Instruments

Equity instruments that are listed on a regulated stock exchange are measured at fair value using observable market inputs. The inputs used in valuing the instruments include indexes provided by these regulated markets.

### 31. RESTRICTED FUNDS Prior year – GROUP AND COMPANY

	At 1 April 2022	Income	Transfer	Expenditure	At 31 March 2023
	£'000	£'000	£'000	£'000	£'000
<b>General service restrictions:</b>					
Gloucestershire	122	-	-	-	122
Sheffield	18	1	-	(2)	17
The Wirral	17	13	-	(7)	23
Kent South	79	15	-	(2)	92
South Oxfordshire	24	-	-	(1)	23
Herts & Essex	90	9	-	(26)	73
Devon	274	64	-	-	338
Leeds	34	2	-	-	36
Bedfordshire	58	48	-	(16)	90
Arden Vale	23	5	-	(8)	20
Cornwall	105	9	-	(15)	99
Kingston-upon-Thames	40	-	-	-	40
North Oxfordshire	34	1	-	(3)	32
Bristol	9	10	-	(3)	16
Bradford	80	3	-	(68)	15
Kent North	32	117	-	(12)	137
Sussex	299	89	-	(80)	308
Shropshire	31	32	-	(40)	23
Leicestershire	20	26	-	(10)	36
London	40	12	-	(12)	40
Lancashire	19	8	-	(12)	15
Newcastle	5	-	-	-	5
Flintshire	85	9	-	(61)	33
Other project grants: L2MU, PT	571	156	-	(18)	709
Newcastle Edward Lloyd Trust	877	-	-	-	877
<b>Other restrictions:</b>					
Edenbridge legacy	645	-	-	-	645
Extra Special Trust	778	-	-	-	778
Tiverton Drop-In Centre	57	-	-	-	57
Design for Life - East Midlands	408	-	-	-	408
Design for Life - Lancashire	50	-	-	-	50
West Sussex - Community Fund	137	-	-	-	137
General Regional Funds	452	-	-	-	452
Others Grants & Donations	498	576	-	(301)	773
Restricted project fund	6,011	1,205	-	(697)	6,519
Restricted fixed asset fund	11,382	-	-	(433)	10,949
<b>Total restricted funds</b>	<b>17,393</b>	<b>1,205</b>	<b>-</b>	<b>(1,130)</b>	<b>17,468</b>

**HF TRUST LIMITED**

England & Wales - Charity number 313069

---

# Accounts

---



Building Strong Foundations

## Contents

Overview	2
Welcome from Chair of Trustees	5
Introduction from the Chief Executive Officer	6-7
Our year in numbers	8-9
Our continued operational response to Covid-19	10
Operational developments	11
Quality Assurance and Improvement	12-14
Learning and development	15-16
Involving the people we support	17-18
Governance and risk management	19
Caring for the people we support	21
Quality in housing	22-23
Sector expertise	24-27
Personalised Technology	28
Supporting people through uncertain times	29
Our charity service projects	30-31
Project Search	32-33
Hft strategy and transformation	34
Our Colleagues	35-36
Our Volunteers	37
Reference and administrative details	38
Structure, Governance and Management	39-44
Strategic Report: Objectives, Activities and Public Benefit	45
Achievements and Performance	46-49
Internal Controls Statement	50-53
Financial Review	54-57
Statement of Trustees' responsibilities	58
Independent Auditors' report to the members of HF Trust Limited	59-61
Consolidated Statement of Financial Activities	63
Balance Sheet	64
Cash Flow Statement	65
Notes to the Financial Statements	66-94

## Overview

We are a national charity founded in 1962 by a group of families who had a vision for creating a better life for their relatives who had learning disabilities. We pioneered the idea that everyone with a learning disability could have choices about how they live.

Today, we are trusted to support more than 2,000 adults with a learning disability across England and Wales, providing specialist care and support and housing to enable them to live with as much independence, choice, dignity and control as possible. Whether that's through Hft providing support for the person to live independently in their own home, to join day opportunities and learn new skills or through socialising and building relationships and getting experience that will help people find employment. From a few hours a week, right up to 24 hours a day, we are here for as long as someone might need us. We also support carers and families of people with a learning disability with information and advice through our Family Carer Support Service and influence change on the issues that matter most to the people we support.

We are funded in several ways: predominantly through local authorities, who fund vital care and support services, through Housing Benefit from the Department for Work and Pensions, through personal budgets and private funding and through donors, supporters and volunteers who enable us to find new ways to help more people to thrive, rather than just get by.

For every person we support, we are committed to working in partnership with them to realise their best life possible.



## Welcome from the Chair of Trustees



Like many organisations, during 2021/2022, we continued to adjust and respond to the ongoing impact of the pandemic. With the passion, commitment and care of our staff teams, adults with a learning disability have continued to be able to enjoy as much independence, choice and control to live their best life possible within the confines of the pandemic.

At a time when disruption to every-day living has been experienced by all, the Board of Trustees extends its heartfelt thanks to everyone who has helped to keep the people we support safe, happy and well. Whether it is our staff teams, supporters or volunteers, we could not have done this without you.

Myself, and the Board of Trustees are very much the custodians of the vision, passion and drive that the original group of families had for their loved ones when setting up our first service in 1962. Their pioneering spirit and dreams for the future are something we absolutely hold onto as we move into the future. As a result, in year two of our strategic plan, laying strong foundations to create a sustainable future has been more important than ever so that we are here to deliver against the vision of the founding families long into the future.

As with many in our sector, we have not been immune to the challenges of the pandemic, but increased expenditure controls and support from the Infection Control Fund have helped us to remain broadly balanced over 2021/2022. We have continued to prioritise programmes of work which will help us to create significant long-term efficiencies, provide excellent homes and outstanding care and support, while increasing the impact and reach of our charity.

At a time when demand for adult social care services is growing, we have also keenly felt the impact of growing workforce challenges across social care. With services across the sector being forced to turn down new admissions or in the worst cases, close, we have taken the opportunity to make our voice heard amongst key decision makers. Through our campaigning and influencing efforts we have called for increased support to attract and retain frontline colleagues, sharing the stark findings of our Sector Pulse Report and bringing the sector together behind joint calls for change.

Looking ahead, we're taking the opportunity over the coming year, to find out from the heart of our organisation, the people we support, and the wider population of adults with learning disabilities, what they want for their future and how Hft can help them in achieving that. The coming year marks 60 years of Hft, and I look forward to celebrating how far we've come as an organisation and looking ahead to the next 60 years and beyond.

**Amanda Bunce**  
Chair of the Hft Board of Trustees

## Introduction from the Chief Executive Officer



It is a pleasure to introduce this year's Annual Review and to reflect on the amazing contributions of our incredible staff teams, volunteers and supporters. I would like to take the opportunity to formally thank you all, on behalf of the entire Executive Board, for everything you have done to support the people in our care, their families and carers during another challenging year.

It is hard to believe that we remained very much in the thick of the Covid-19 pandemic during 2021/2022. While restrictions have now been broadly lifted and the vaccine rollout has allowed some degree of normality, for our sector the presence of the pandemic has remained a constant background challenge. Whether that's the continuity of infection prevention and control measures or remembering those who so sadly lost their lives during the pandemic, each one a loved and treasured individual. On a more positive note, over the course of the pandemic, social care has been propelled to the forefront of the public consciousness and has crept up the political agenda, so it was promising to see the introduction of the Health and Care levy, the publication of the social care and integration white papers as well as the progression of the Health and Care Bill. The promise of increased funding, improved training pathways for care and support colleagues and better integration with our peers in the health sector will be a good start to addressing some of the challenges we're experiencing in our sector.

Whilst I am hopeful that these steps will begin to move us in the right direction to address the ongoing challenges we face, we still have a long road left to travel and this is most obviously illustrated by the significant financial and workforce uncertainty all providers of learning disability providers continue to experience. Our 2021-2024 strategic plan is already focussed on building strong foundations as a platform for efficiency and effectiveness and to lay the foundations for future growth, and now that the additional Covid-19 pandemic financial support measures have been removed, this seems more important than ever.

Our recent Sector Pulse Report once again highlighted that the most significant cost pressure facing the learning disability social care sector was rising wage bills during 2021/2022. We have also

been acutely aware of this pressure at Hft and addressing the challenge of recruiting and retaining our colleagues and rewarding them appropriately for the vital work they do remains a priority. I am proud that we were able to raise the salary for our frontline teams to above the national living wage and that we have embarked on our employee engagement journey with our 'We're Listening' staff survey.

At a time when demand for adult social care services is growing against a backdrop of multiple challenges, our frontline teams have continued to deliver transformative support to the people in our care. It is thanks to their resilience and hard work that we have retained our high number of good or above Care Quality Commission (CQC) quality ratings this year. It remains essential that the support we are able to provide can meet the changing needs of the people in our care. We have changed our staffing structure across our care and support teams in order to best achieve this and we will continue to regularly review all our services to ensure they can deliver the support people in our care need. I am proud that we will always do what is right for the best interests of the people we support.

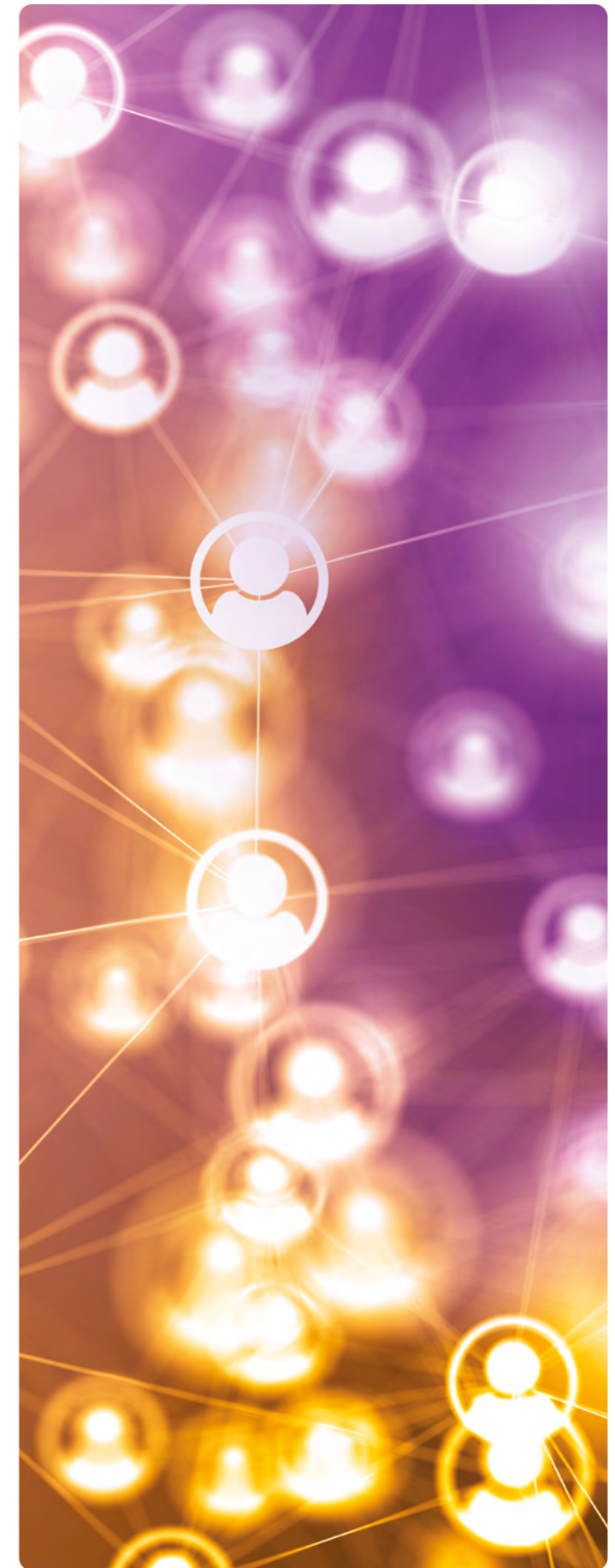
The financial results for the year show a net surplus in funds of £696k. This includes an element of exceptional income relating to an insurance claim in respect of the historical impact of COVID-19. Underlying performance for the period aside from this exceptional item is broadly break-even. As we look ahead to the future we continue to balance an emergence out of the Covid-19 pandemic with strengthening our in-year performance and planning for the long-term. Over the coming year we will:

- Develop our long-term strategy: In our 60th year, we are reviewing our Vision, Mission and Values and our long-term strategy, ensuring we stay relevant and impactful in the future. Through a

detailed consultation process, adults with a learning disability have told us that a focus on employment, relationships, living independently and being able to take part in life enhancing activities and experiences will help them to live their best lives possible. Over the coming months, we will begin to detail what Hft's role will be in effecting transformative change in these areas.

- Prioritise our financial sustainability: So that we can invest in transformative projects which will help our ability to continue delivering support long into the future, we will continue to control costs where appropriate and prioritise investment where it will help us to enhance our impact on the lives of adults with a learning disability.
- People transformation: Building on the 2021/2022 progress, we have also heard the need to prioritise key areas to improve our colleague engagement via our staff engagement survey. Over the coming year, our focus will be on developing our Senior Leadership capabilities, Equality Diversity and Inclusion, Wellbeing, Change & Communication; and Teamwork and Collaboration.
- Deliver our systems transformation programme, Helix: We will continue to transform our systems and processes to simplify and ease access to important service data and streamline our administrative processes, providing more time for our care and support colleagues to reinvest back into providing quality support for the people in our care. This will include the rollout of our mobile care recording, people and finance systems.
- Improve outcomes for people we support: By the end of September 2022, we will have completed our programme of 360-degree Service Reviews, ensuring we have identified opportunities for improvement and correlating action plans across Quality, People we Support, Safety, Commercial, Compliance and our People. We will also continue to embed the changes from our local and regional structure review, enabling more managers to have more time to spend with their teams and the people we support.

**Kirsty Matthews, CEO**



## Our year in numbers:

1 April 2021 - 31 March 2022

Over **2,170** people supported



**91%** of services registered with the **CQC** rated as either **Good** or **Outstanding** (as of 31/03/22)

More than **2,500** colleagues working across our services (2,024 established, 531 relief)



**520** people involved with our Luv2meetU service with 1,849 Luv2meetU events held



Over **1,000** people with a learning disability took part in original Hft research, to inform our influencing activity

**379** people advised by our Family Carer Support Service 65 signposted to other appropriate support resources



**85** people attended 3 in-person national **Voices to be Heard** events



**559** items of new **Personalised Technology** installed in people's homes and plus 60 items loaned to services during Covid-19

**Hft** worked with partners



to support interns at 10 Project SEARCH Programmes 79 interns have been supported on our Project SEARCH programmes and 78% who graduated in July 21 have moved into paid employment

**£2.281m** raised by Hft supporters to fund our charitable services



**45** people we support attended 9 online listening events undertaken, to hear how the Covid-19 pandemic impacted the people we support

**Total Income**  
**£89,735,000**

**Total Expenditure**  
**£88,879,000**



## Our continued operational response to Covid-19

Covid-19 presented an ongoing significant challenge for all social care providers as we continued to respond and quickly ensure the safety and wellbeing of our colleagues, the people we support, and their families. A multi-department Pandemic Committee continued to meet throughout this period to review policy changes and critical issues, and to respond to constantly changing guidance and live operational issues. The Executive Board ring-fenced a weekly meeting to get oversight and assurance on all things relating to Covid-19.



All regions and central support departments continued to review and develop their business continuity plans, based on local or specific requirements. Regular communication remained crucial with our teams on the ground, to provide them with updated guidance on the best way to protect the people we support.

Internal processes remained under constant review, with more opportunities for central support colleagues to return to an office environment if a task required this.

As this was the second year of Hft dealing with the consequences of Covid-19 we became more confident and skilled in making virtual meetings more effective including with people we support and other key stakeholders.

Colleagues shielding and sickness, and the need to limit movement between homes and services, meant we needed to continue to be careful rostering colleagues appropriately and due to high levels of absence more relief staff and agency workers were utilised.

Most of our Day Services remained closed throughout periods of this year. Day Service colleagues supported other services and teams continued to work creatively to provide much needed support; developing new outreach services for those who were isolated at home, or making regular support calls to their families.

Access to Personal Protective Equipment (PPE) was maintained and good supplies were available.

Once vaccinations were introduced, we did all we could to promote uptake of the vaccine, including responding to Public Health England's request for details about all our care and support colleagues to make sure they were included in the early wave of vaccinations. We also provided resources to inform both colleagues and the people we support of the importance of the vaccine, how to access it, and to address any safety concerns they had.

Coming through this period has been challenging. We are so grateful for the hard work, commitment and dedication of all of our colleagues in ensuring minimal impact was experienced by the people we support. Our focus towards the end of this financial year and into the new year is all about moving forward, making Covid-19 part of our day to day practice and we intend to really focus on back to basics to ensure our service provision is helping the people we support achieve their desired outcomes.



## Operational developments

As we started to focus on 'business as usual' activities following on from Covid-19, we began a service wide programme of "360 Service Reviews".

These are in-depth reviews of all of our services drilling down into our effectiveness across Quality, People we Support, Safety, Commercial, Compliance and People. We have completed approximately a third of the services and are on track to achieve our target deadline of September 2022.

This year saw a review and restructure of our Care & Support leadership at a local and regional level. This review enabled the organisation to have clearer lines of accountabilities for key local roles. Its aim is also to enable managers to have more time to spend with their teams and the people we support. In 2022/2023 Hft will embed these changes and further develop its Care & Support structure to enable full delivery of the strategy and operational objectives.



### Quality of care

We continue to follow the principles of our Fusion Model of Support across our services which underpins for us what excellent care and support, and the best life possible means for adults with a learning disability.

Our Quality strategy for the past year has been to continue to strive for a 'Good' CQC rating as a minimum across all of our services. Our Quality Assurance team has been working closely with our Care & Support teams to support them as they balance the demands of the pandemic with the need to provide high-quality services, performing at 91% of our service rated CQC Good or above.



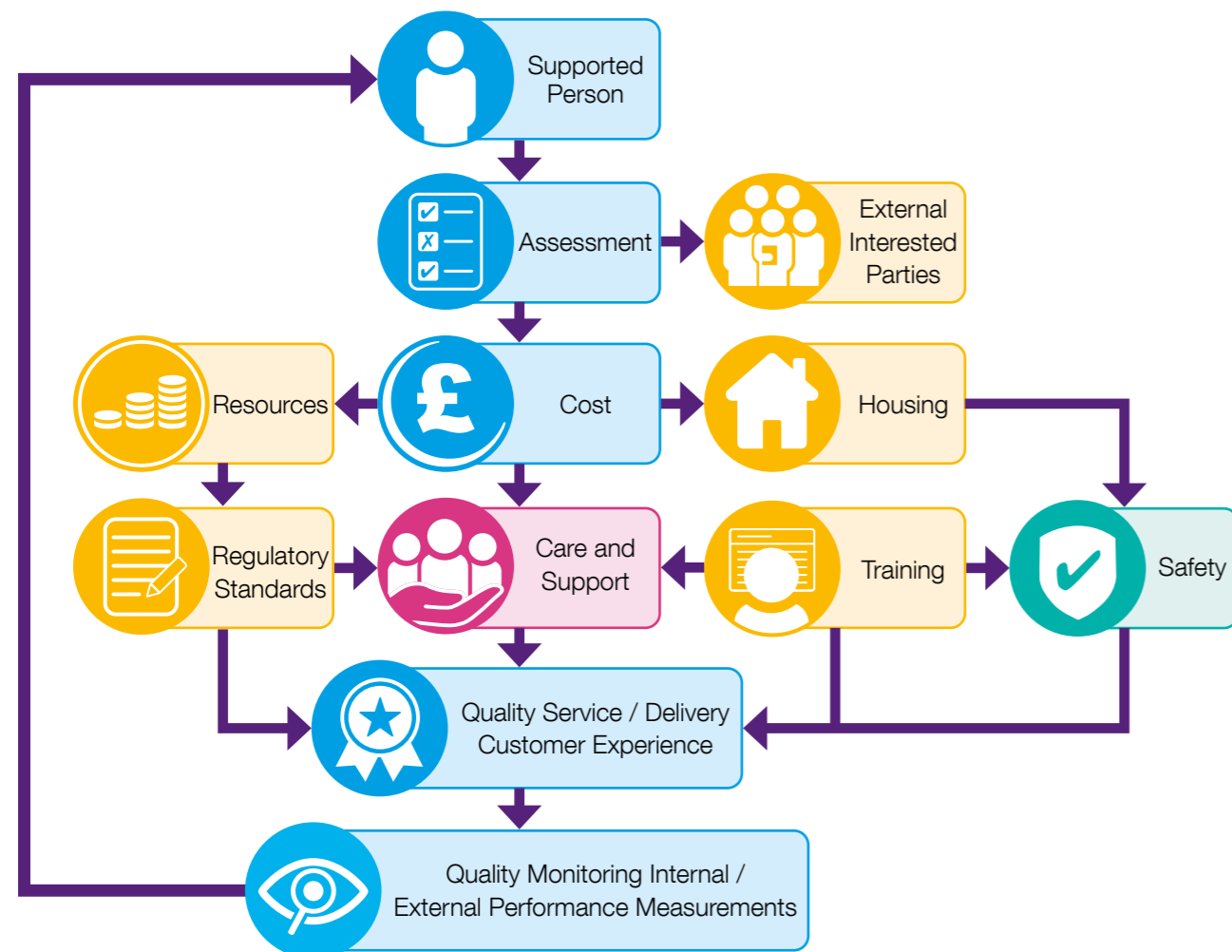
# Quality Assurance and Improvement

Looking ahead, as we move forward from the critical phase of safely continuing our service provision during the Covid-19 pandemic, our focus will also prioritise supporting colleagues in our organisation to build capabilities to lead innovative and fast paced service change and improvements through re-starting, re-designing or developing new processes, pathways and services

Moving forwards, the organisation requires a systemised, structured and sustainable approach to enable and empower colleagues who deliver care to make meaningful, measurable and sustainable improvement. To drive meaningful quality improvement, data and intelligence about our quality performance and compliance is needed. To that end, the Quality and Improvement team developed the Quality Assurance Framework (QAF).

The QAF was approved in January 2022, and launched in April 2022. It aims to deliver a combined system of internal audit undertaken by the quality and improvement team, and self-assessment undertaken in local areas, to better understand and improve the quality of our service provision, and ensure regulatory compliance. This considers the continuous feedback cycle that begins with the experience of the person we support as the driver to improve practice and quality. The process is illustrated below:

## High Level Process Flow



## Quality assurance in action: in focus - service improvements

During a review of quality and compliance at our campus sites in 2021/2022 a focused effort took place across the following sites to drive significant improvements in service delivery and site safety:

- **Ironbridge** - significant progress was made at Ironbridge in 2021/2022, and the service is now monitored regularly for assurance of continuity of maintained standards in 2022/2023.
- **Edenbridge** - continues to make improvements and with the appointment of a new registered manager during 2021/2022, there is now consistent leadership in place to carry forward the improvement plan into 2022/2023.
- **Rowde** - this had a weekly assurance programme in place in part of 2021/2022, to ensure any risks were being managed, and a decision was made for this service to be handed over to a new provider in July 2022.

All improvement plans are currently monitored by the central quality and improvement team, and will be brought into the planned QAF processes of internal audit and self-assessment, once established.

## Our new Quality Assurance Framework



Fiona, a person we support at Hft Gloucestershire, was struggling to live with other people in her residential service; as a result, her behaviour was becoming increasingly challenging. Fiona told support workers that she wanted to live alone, but her family was concerned about how she would cope.

Recognising that they were facing an important opportunity to increase the quality of Fiona's care, Hft support staff worked with her to complete mood charts and write down her feelings, and spoke at length with her family members to reassure them about the move. They supported her to visit potential flats and make her decision, and oversaw her transition from start to finish – including training her new team in how best to support her.

Since moving into her own flat, Fiona reports feeling much better, with increased wellbeing and quality of life.

Janneke Bax-Pratt, Registered Care Home Manager, says:

**“The difference this has made to Fiona has been transformative. She now has space to be more independent, and is enjoying socialising with others successfully on her own terms.”**





## The year ahead – 2022/2023

- Throughout 2021/2022 we have made good progress and maintained a flexible and responsive audit function with limited resources. As the Care Quality Commission (CQC) delivers their new strategy, we will look to align our quality assurance practices to the shift towards an outcome model of improvements, to learning from experiences, to continuously improve our services and people's quality of life.
- The internal audit programme and associated rating metrics (internal service ratings based on the CQC's ratings) were formally launched in April 2022. The electronic systems to undertake self-assessments are being developed with the aim of ensuring user friendly systems that allow for lean governance and meaningful outputs.
- A Quality Review Group is planned for Q3 2022/2023, which will include colleagues across portfolios. The Group will regularly review quality assurance practices, processes and procedures, quality performance and any escalations, shared learning, and will also act as a horizon scanning forum for both internal and external factors, including changes to regulatory requirements.
- In 2022/2023, we aim to develop and publish new policies for Deprivation of Liberty, Medication, and People's Finances, and update all Operational Standards in a new policy format. From April 2022, we will also ensure full implementation of the Mental Capacity Act Policy, and monitor and assure compliance through the QAF.
- We will co-produce standardised processes with colleagues where it is appropriate to do so and work together to identify and implement improvement programmes.
- Increasing the involvement of the people we support and their families in the internal audit process in 2021/2022, has directly improved services for people.



## Learning and development

### Organisational safety for the people we support and our colleagues

#### • Incident reporting

There was an increase in incident reporting from 3348 reported in 2020 to 6313 reported in 2021. A positive reporting culture enables us to capture and learn from incidents that occur, so that we can see and understand the risks colleagues and people we support face day to day, and put mechanisms in place to prevent future harm.

#### • Health and safety

We achieved ISO 45001 (Occupational Health and Safety Management) certification for our safety management system. Certification to ISO standards proves that Hft works to international or national best practice, demonstrating credibility and competence to stakeholders and customers.

We also retained Hft's Contractors Health and Safety Assessment Scheme (CHAS) accreditation, demonstrating good adherence to health and safety requirements for businesses.

Expansion of the Health and Safety team from two people to five has created more capacity in the team to provide more advisory and audit support, which allows us to monitor and manage our safety management performance.

#### • Safeguarding

Hft has continued to ensure the safeguarding of "adults at risk" remains a focal point within the organisation, which is committed to ensuring all persons in our care are protected at all times.

The organisation has seen a 25% increase in incidents and safeguarding concerns raised by our colleagues as we improve incident reporting systems; reporting around 57 concerns a month to the local authorities. We have worked hard with local authorities to encourage them to review and close open safeguarding cases, in a timely fashion, to improve quality outcomes for the people we support.



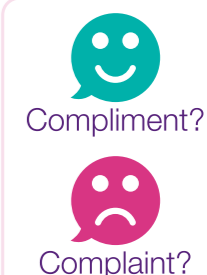
### A focus on complaints and learning from experience

Our approach is to use all feedback from the people we support as a learning opportunity. Trends and emerging themes will be collected through Hft's governance processes and to widen the learning, we will share anonymised case examples in the organisation.

We received 51 complaints from the people we support in 2021/2022. As we look to the year ahead, we are reviewing the challenges of local paper based systems and moving towards co-ordinating complaints centrally, we will develop user friendly ways in which people can raise a complaint and make sure we are hearing from the people we support about how we can improve the service they receive to improve and build on our outcome focused strategy.

Where a complaint is upheld or partially upheld, the learning identified is actioned accordingly. This can involve a range of measures including feedback, reflective practice and bespoke training held locally, with emerging themes reported through the governance structure.

An audit of our complaints management will be undertaken by our internal auditors in Q4 2022/2023.





## The year ahead 2022/2023

- Strengthening our learning frameworks and monitoring actions from incidents more closely will be a key focus in 2022/2023. As part of the Helix transformation programme, we are reviewing and updating our compliance, quality and risk management (see below) systems. This will include a review of our incident reporting processes with a focus on enabling easy to use, supported systems, which generate meaningful incident data, themes and analysis, from which we can continue to learn and improve our practices.
- We will build on the progress made in 2021/2022 on business continuity planning by reviewing and improving plans across the organisation.
- We will create a 5-year strategy for Health and Safety that looks to strengthen the solid foundation we have created in 2021/2022.
- Improvements have been made to the way we manage and report fire risk assessment actions (FRAAs) to ensure they are completed in good time. This is evidenced by the reduction in FRAAs reported in our monthly compliance statistics.
- The Hft Quality Team plans to undertake a number of internal quality audits of safeguarding throughout 2022/2023; these include:
  - Auditing safeguarding knowledge and retention of colleague learning
  - Quality of concerns/referrals raised
  - Quality of safeguarding training delivery
- We have plans to improve our safeguarding governance arrangements by:
  - Recruiting a dedicated national safeguarding lead
  - Developing a safeguarding training package for trustees and registered managers
  - A review and update of Hft's safeguarding policy
  - A review and recommencement of safeguarding forum
- A key area of focus for quality in 2022/2023 will be enhanced training for those involved in investigating incidents and serious Incidents to ensure that reporting is more accurate and therefore data capture and analysis is more effective.



# Involving the people we support

## Involvement

Our Involvement function seeks to put the people we support, and their views and experiences, at the heart of everything we do. With the challenges presented by the pandemic, we developed online, hybrid and safe-in person participation opportunities.

## Kirsty Matthews, CEO, meets with people we support

To enable our CEO to hear from the people we support, we hosted seven online chat sessions with people supported across Hft and a visit to services across Hft Gloucestershire. These sessions were an opportunity for people to talk about the support they have from Hft, what's working well, anything we could change or improve, as well as chatting about hobbies and achievements.



Kirsty meeting with Becky to chat and artist Rob, who are both supported in Gloucestershire.

## Voices to be Heard



A forum which enables people supported by Hft across the country to share their views on the support they receive and the services Hft offers.

In 2021/2022, local groups continued to meet online and some made the move to face to face meetings, the first since the pandemic began. We hosted nine online listening events to hear feedback from people on the impact of the pandemic – their health and wellbeing, support to maintain friends and relationships, experiences of online activities and keeping in touch, and their support overall from Hft. In the Autumn, we were pleased to be able to meet again in person, hosting three national events attended by 85 people.



"I feel alive again" – Henry Edgcumbe, National Voices to be Heard Chair after hosting an event in October 2021

## Coproduced Wellbeing Award



Thanks to a grant of £2,000 from the BUPA My Community Fund, we worked with four people we support to coproduce a wellbeing award for people we support called Give Me 5! The award is based on the 'Five Ways to Wellbeing' and

encourages people to do activities to promote wellbeing and mental health. Thirty-four people successfully achieved their awards. The graphic design for the award was completed by George Hope who is supported by Hft Derbyshire as part of a work experience placement with Hft's Involvement Coordinator and our marketing team.



Thirty-four people were awarded boxed gifts for promoting wellbeing and mental health.

## The experience and involvement of the people we support

Hft have set out our commitment to listening and learning from the experiences of people we support and carers and colleagues ensuring their participation in design, re-design, assessment and governance of our care, support and housing offer. We have established innovative methods of engaging with people we support, and will continue to build on this by developing a user experience strategy that ensures we collate and act on feedback from all of these various sources to improve the quality and safety of care for our people we support.

## Walk in Our Shoes Network inform our public affairs and policy activity



Our Walk in Our Shoes Network – adults with a learning disability who want to shape and participate in our public affairs and policy work. This year members worked on promoting accessible voting and helped shape Hft's Lockdown on Loneliness report and campaign.



### The year ahead 2022/2023

Our focus for this year is to further embed the voice and lived experiences of both the people we support and the wider audience of adults with a learning disability in our work, shaping and improving what we do.

- We will develop a scrutiny group made up of people we support to strengthen accountability to the people we support. This group will take forward two scrutiny projects each year and make recommendations for improvements.
- We will develop a new framework for measuring and assuring experience, to ensure the people we support and their family and friends have an outstanding experience of Hft.
- Through consultation, a new Engagement and Participation strategy and a supporting Involvement Framework will be developed.
- The people we support will be central to our plans to celebrate our 60th year.

We know that treating our People we Support with compassion, kindness, dignity and respect has a positive effect on their wellbeing and their outcomes. To improve their experience, we need to listen to our people we support, their families and carers, and respond to their feedback. We will aim to improve our position, with our goal being to ensure that user involvement in service redesign programmes and our involvement framework is continued.

## Governance and risk management

We need to continue to ensure that our governance and leadership affects Hft positively. Effective governance systems are essential to ensure that risks are managed and improvement implemented in a way that acknowledges workloads and competing priorities.

The Charity Code of Governance requires that the Hft Board of Trustees:

“ has in place a decision-making process that is informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored.

Colleagues need to understand the governance processes and be provided with information to ensure they are used and navigated appropriately. Effective risk management supports the delivery of the Hft Strategy and increases the resilience of the business against adverse events.

### • Risk management

The Risk Management Policy was last reviewed and approved by the Board of Trustees (the 'Board') on 29th July 2021 with a one-year review period.

A corporate risk register was developed, which captures Hft's key operational risks in line with the requirements of the Risk Management Policy. It is reviewed and updated monthly by our Executive Board for oversight and scrutiny.

Please refer to the internal control statement, which details the process adopted for reviewing our control framework.



### The year ahead 2022/2023

- In 2022/2023, the Risk Management Policy will be reviewed and updated further to ensure that Hft's risk appetite for its principal risk themes is accurately reflected and embedded in the way risk is managed.
- There are also plans to review departmental (known as Portfolio) and locality risk registers to ensure that a standardised approach to managing, recording, escalating and reporting risk is established across the organisation. The electronic systems to support this will also be explored as part of the Helix transformation programme, with a view to have a fully established risk management system (subject to timely development, user testing and successful piloting) in 2022/2023.
- As Hft's strategy is further developed, an analysis of risks posed to each of the key strategic objectives will be undertaken and collated to form a Board Assurance Framework (BAF). A BAF is, in essence, a risk tool for managing an organisation's strategic risks.



## Caring for the people we support



### Caring for the people we support: In focus - positive behavioural support (PBS)

The role of the PBS team is to support individuals who may be experiencing some difficulties in an area of their lives both in the short and long term. We work alongside support colleagues and managers as well as families & other support agencies to provide an environment and support package that reduces the intensity, frequency and duration of behaviours that challenge.

#### Achievements in 2021/2022

Having a physical intervention training package that is certified as meeting the Restraint Reduction Network training standards is compulsory for NHS commissioned services and an expectation for CQC regulated services across health and social care from April 2021. By passing an annual reaccreditation in a BILD Association of Certified Training package, we have demonstrated the physical intervention training package we teach complies with the RRN Training Standards.

Although completing functional assessments, training colleagues and monitoring the 'PBS approach' is the team's main role, the team have undertaken numerous additional projects and work across 2021/2022, including the development of a national database of the restrictions currently being implemented within each service to evidence how many restrictions are in place for an individual, service or region and if those restrictions are agreed following the principles of the Mental Capacity Act and then measure any increases or decreases of restrictive practices.

The team also supported the development of Helix (systems transformation programme), and continued to provide person centered training, such as Dementia focused PBS training, Sensory Integration training, Pathological Demand Avoidance training, PBS approaches to Fire Safety and Mental Health training.



#### The year ahead 2022/2023

- In 2022/2023, the team will continue to provide PBS support to individuals who may display challenging behaviour and person-centered training to their staff teams. The introduction of Helix means that improved and more detailed data analysis can take place allowing for changes and informed decisions to be made to PBS plans.
- The team will also continue working with key stakeholders, internally and externally regarding the amendment to the Mental Capacity Act Code of Practice and the introduction of LPS (Liberty Protection Safeguards).
- The PBS team will work alongside the health & safety and quality teams to introduce the national restrictive practice register. Provide information and support to colleagues when completing the register and create action plans that will ensure any restriction a person lives under is reasonable, proportionate to the risk and as least restrictive as possible.

# Quality in housing

## Providing good quality accommodation and meeting our obligations as a landlord

A full stock condition survey has been undertaken and will inform our long-term investment plan for delivery from 2022/2023.

Robust systems are in place to ensure compliance with statutory health and safety obligations. The Housing Services portfolio employs a team of professionally qualified colleagues dedicated to monitoring compliance against statutory standards including gas safety, legionella and fire safety. Work is underway to ensure that Hft can meet the forthcoming changes in fire and building safety legislation.

Whilst there are still improvements to be made with our building safety compliance these risks are now being managed more robustly. In all areas of compliance, the people we work with are in a much safer position and risks associated with building safety are declining due to greater visibility and progress with compliance programmes.

The table below outlines our progress on some of our major KPIs:

Risk	Key Performance Indicator	May 21	Aug 21	Dec 21	Mar 22	Targets
Low	<b>KPI 5 – Gas safety</b> Proportion of properties with an in-date gas safety certificate in place expressed as a percentage of the total requirement.	100%	100%	100%	100%	100%
Low	<b>KPI 6 - Fire safety FRA</b> Proportion of properties with a valid FRA in place expressed as a percentage of the total requirement.	98%	94%	100%	100%	100%
Low	<b>KPI 8 – Electrical safety</b> Proportion of properties with a valid EICR in place expressed as a percentage of the total requirement.	N/A	87%	93%	98%	100%
Low	<b>KPI 9 – Asbestos safety</b> Proportion of properties with a valid AMP in place expressed as a percentage of the total requirement.	N/A	0%	74%	100%	100%
Low	<b>KPI 10 – Water hygiene safety</b> Proportion of properties with a valid Water Safety Risk Assessment in place expressed as a % of total requirement.	N/A	0%	90%	100%	100%
Low	<b>KPI 11 – Lift safety</b> Proportion of passenger lifts with in date 'thorough examination' (LOLER) as a percentage of total requirement.	N/A	100%	100%	100%	100%

## Significant changes to services

### • Furlong Close, Rowde

During 2021, Hft took the decision to transfer the provision of care at our Rowde service to another provider, the process involved close working with residents, and their friends and families and Hft continued to provide care and support until an alternative provider was in place. Subsequently the Charity Commission agreed in January 2022, to a sale of the land and buildings to a preferred provider, which had been identified by the Friends and Families Group of furlong Close at Rowde. The sale of the land and buildings to Specialised Supported Housing (SSH) was concluded in July 2022. In turn, Wiltshire Council and other out of county commissioners, are commissioning Agincare to take on responsibility for providing care and support at the service. Agincare are intending to provide supported living, in partnership with Inclusion, for those at Furlong Close.

A condition of the sale was for the site at Rowde to continue to offer a care and support service to the current residents at Furlong Close. Our staff team were TUPE'd to Agincare and transferred on their existing terms and conditions to the new provider. A dedicated, integrated project team was put in place to ensure the service transitioned with minimum disruption to colleagues, families and people we support.

### • Bradford

Following 10 years of proudly delivering and improving Day Services in Bradford, the bulk of our Hft day contracts were transferred back to Bradford Council's new trading arm, New Choices, at the end of the financial year. This was a planned transfer of services back to Bradford Council at the end of the contract. The majority of colleagues were transferred to New Choices as part of the transition of services and a joint working group across the two organisations ensured a seamless transition with minimal disruption to the people we support, their families and colleagues.

### • Milton Heights, Oxford

The Milton Heights Campus site was closed in collaboration with Oxfordshire County Council and some supported living move on accommodation was purchased locally. The Board subsequently took the decision to sell the campus site on the open market, after planning permission had been obtained to a private sector developer. Hft has applied for planning permission on the site, in partnership with Dimensions Housing who also own part of the site. It is intended to split the sale proceeds in line with the size of our landholding. There have been some delays in obtaining planning permission, but it is anticipated that this sale will happen in autumn 2022.



# Sector expertise

## Public Affairs and Policy

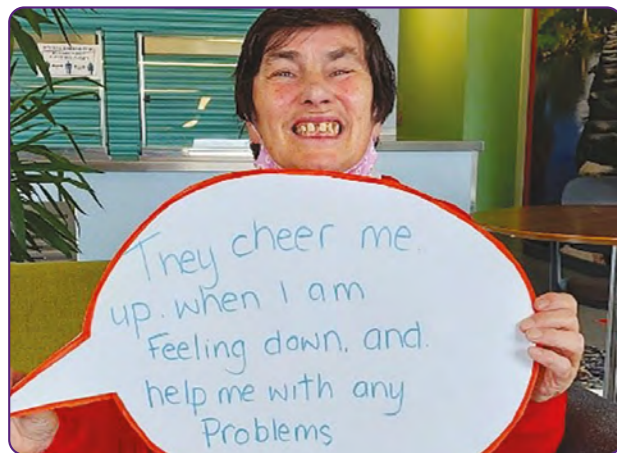
Hft's Public Affairs and Policy function seeks to affect positive change for adults with a learning disability and the disability social care sector.

We do this through developing relationships with decision makers in Whitehall and Westminster and engaging with the political process. Our work is informed by the opinions of adults with a learning disability and we carry out research to support the recommendations we make.

### Involving people with a learning disability - Walk in Our Shoes Network

Hft's Walk in Our Shoes Network is a group of adults who have a learning disability and are interested in politics.

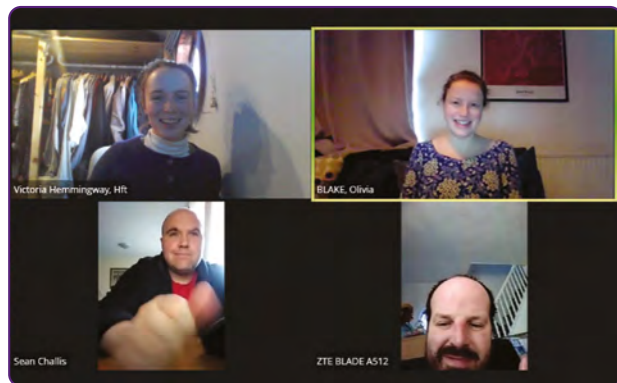
Over the past year we have work closely with them to inform our public affairs and policy activity, ensuring they have the opportunity to express an opinion on issues which matter with them, and have their voice heard by decision makers in Whitehall and Westminster.



Yvonne - taking part in a Lockdown on Loneliness workshop



Robbie - taking part in a Lockdown on Loneliness workshop



Sean and Jonathan - meet with Olivia Blake MP



Rob - taking part in a video about the local elections

## Original Research

Hft carries out original research with people with a learning disability and social care providers to support our influencing activities. The qualitative and quantitative data strengthens our calls to action and ensures recommendations for change are evidence-based.

### Lockdown on Loneliness

Based on a survey of over 1000 adults with a learning disability, Hft's Lockdown on Loneliness report and accompanying campaign highlighted chronic and enduring loneliness, and called for action on the barriers to friendship and connection which many of them face.

Our report found that:

**Over 1/3 of people with a learning disability** told us that they felt lonely nearly always or all the time.

**Over 1/3 of people with a learning disability** told us they hardly ever or never go out to socialise.

**1/3 of people with a learning disability** are not confident making friends.

**1/3 of people with a learning disability** do not feel like they are part of their local community.

People with a learning disability told us that they key barriers they face to friendship and connection are:

- A lack of support
- Employment and financial constraints
- Public Attitudes

As a result of our campaign:

**Over 110 people wrote to their MP calling for action on loneliness among people with a learning disability.**

**We secured a meeting with Chloe Smith, Minister for Disability, Health and Work to discuss the findings of our research.**

See more about our Lockdown on Loneliness campaign here:

<https://www.hft.org.uk/get-involved/campaigns/lockdown-on-loneliness/>



**Victoria Hemmingway**  
Public Affairs and Policy Manager

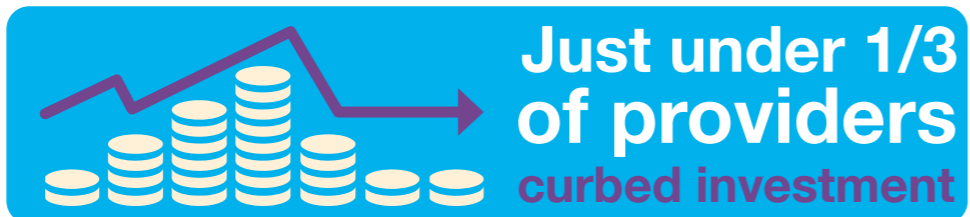
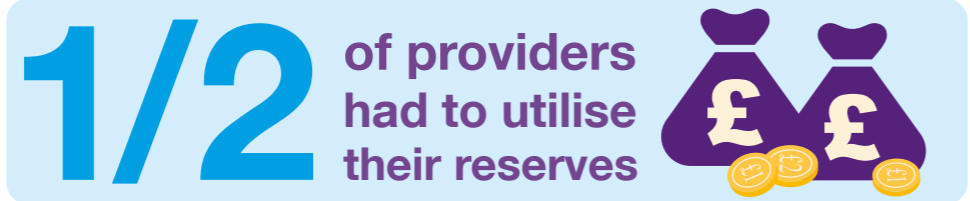
## Sector Pulse Report 2021

Hft's annual Sector Pulse Report was published in April 2022. Based on a survey of learning disability care providers, it highlighted the financial and workforce challenges they faced during the preceding year.

The report revealed that the learning disability social care sector is in an increasingly precarious position. Despite additional financial support from central government to weather the recent pandemic storm, and the promise of financial reform, the proportion of providers in deficit or seeing their surplus decrease has increased substantially over the past year, from 52% to 71%.



Providers took the following actions as a result of cost pressures...



At a time when demand for adult social care services is growing, the ability for our sector to respond is clearly compromised, and this has been further eroded by growing workforce challenges.



### Due to staff vacancies:



Following the publication of the report, our joint letter - signed by 26 CEOs from disability organisations and 6 MPs - was sent to the Minister for Care, highlighting findings and recommendations for change.

You can read our Sector Pulse Check report here:

<https://www.hft.org.uk/get-involved/campaigns/sector-pulse-check/>



### The year ahead 2022/2023

We have many exciting activities planned over the next year to engage with decision makers and push for change.

- We will be taking our Lockdown on Loneliness campaign to Parliament. We have asked MPs to attend our 'drop in' event to hear about our research and pledge to combat loneliness among adults with a learning disability.
- We will also be working closely with adults with a learning disability to outline our influencing manifesto. Based on the issues which matter most to them, the manifesto will outline the key policy issues Hft will seek to change.

## Personalised Technology

Personalised Technology team awarded a further £20,000 grant from the Gloucestershire Digital Innovation Fund to continue their work in the Gloucestershire area.

Following completion of phase one of this fund, in November 2021 our Personalised Technology (PT) team were awarded a further £20,000 to reach out to day centres across Gloucestershire to provide information on technology and set up a loan library model, enabling people to try tech before they buy.

The PT team have been working with local providers within day centres, aiming to reach up to 100 individuals. Demonstrations of the technology were being facilitated at the centres and the tech was loaned to individual's to either take home or use during their time at the day centre. Devices such as the C-Pen, which when hovered over text will read it out, enabling people to take control of things like their post and bills, easy to use remote controls and one cup kettles enabling people to control their TV or make themselves a cup of tea independently.

The loan approach enables people to try before they invest. This project is not only working with people with learning disabilities but also older people and other vulnerable groups.

Vincent Scaife, Personalised Technology Coordinator, said:

**“ We're thrilled to have received a further grant that will allow us to spread our work wider across the Gloucestershire region. We know that technology can make a real difference to people, it doesn't have to be complicated, simple low tech, low cost devices can really help people to increase or maintain their independence for as long as possible.**



## Supporting people through uncertain times

Supporting people with a learning disability through uncertain times thanks to the generosity of our wonderful donors.

The majority of our income comes from local authority contracts; however increasingly, local authority funding can only cover the bare minimum in care and support. We are very fortunate that as a registered Charity we can fundraise which enables us to offer additional opportunities for people we support; and we rely on the generous support of the public to help fund these life enhancing services for people with a learning disability.

It was a steady start to 2021/2022 as society was still dealing with the impact of the pandemic. But despite the challenges the public were facing, they still supported people with a learning disability in any way they could.

In total we raised an incredible £2.281m and we would like to thank every supporter, friends, families, volunteer and colleague for their generosity and commitment.

Some highlights:

- **It was a successful year for legacy income raising £1,485,554**
- **Andrew Collinge raised £10,000 through his annual golf day at the Royal Liverpool Golf Club**
- **Flintshire County Council's Chief Officer (Social Services), Neil Ayling, completed the historic Pilgrims' Way trek raising £2,200**
- **It's Hftea Time was launched and raised over £3,000**
- **Hft's Summer Plunge saw 21 people sign up (the most for any Hft skydive campaign) and raised over £9,000**
- **Hft attended the Virgin London Marathon and saw our amazing team of runners on Tower Bridge**



# Our charity service projects

## Luv2MeetU

Our friendship and dating agency for adults with a learning disability Luv2MeetU continued to give members the opportunities to make new friends, share interests and develop relationships, helping to combat isolation and loneliness and improve overall health and well-being.

Through a series of social activities, online events and face to face activities we supported people on their journey to achieve their goals in life becoming more involved in their local community, learning new skills, widening their circle of friends and signposting people to different opportunities and services.

During 2021/2022, Luv2MeetU supported 520 people to access 1849 social activities for our club members, made up of 1022 online events and 827 face to face activities. We provided a range of social activities across Bradford, Calderdale, Cheshire, North East Derbyshire, Kirklees, Leeds, Newcastle, Sheffield, Wakefield, Bristol, Flintshire and Wrexham and Denbighshire.

We also started the initial pilot scheme of the On-Your-Doorstep model of support, providing support to individuals to access inclusive opportunities outside of day services in their local community. We are proposing to expand this pilot scheme into a second area in 2022/2023.

Over the coming year, we will also expand the Luv2MeetU service into new areas and support more adults with a learning disability to build meaningful connections and relationships. 2022/2023 will also see the launch of our new subscription membership model which will support the long-term sustainability of the Luv2MeetU offer.

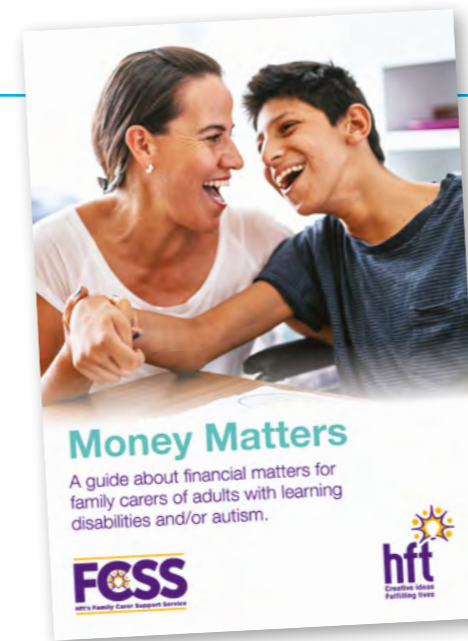
## The Family Carer Support Service

Hft's Family Carer Support Service (FCSS) supported 379 family carers in 2021/2022 and signposted a further 65 onto other organisations.

Based on our statistics, we anticipate supporting families in navigating the Court of Protection will become more commonplace going forwards. In 2022/2023, we aim to equip ourselves with the necessary knowledge and information to be able to support these families effectively, particularly those who cannot afford legal representation. We will begin a bespoke training programme in a procured joint working approach with an external solicitor in the autumn.

Our new 'Money Matters' resource is a comprehensive document which has been peer reviewed by a host of professionals. It includes detailed information on a range of topics to include disability benefits, appointeeship, lasting power of attorney, banking and wills and trusts.









We have no doubt 'Money Matters' will be invaluable to hundreds of families across the nation. In 2022/2023 we also aim to review and update our Holiday Information Guide, which was downloaded/requested 472 times during 2021/2022.



“ The difference you have made to my morale and the possible future of my family is unthinkable. I can't put into words how much I appreciate you for your professionalism, outstanding customer service and compassion and more importantly you handled my case with the dignity it deserved.

“ Thank you so much for all your help. We would never have got here without your support and tenacity. It may seem like a small thing but this will be genuinely life changing for us as we go forward.

## 379 Family Carers Supported and 65 People Signposted:

 4,470 Support Emails	 6.2K Views 386.4 Hrs
 882 Support Calls	 8813 Views 903 Downloads
 72 Support Letters	 649 Likes Reach
 35 Support Meetings	 1089 Followers



# Project Search

In 2021/2022 we have continued to progress our involvement in the innovative supported employment initiative – Project SEARCH and are now involved in 10 DFN Project SEARCH sites as the supported employment provider.

These include:

- Bradford Teaching Hospitals
- Mid Yorkshire Hospitals
- Hockney
- Stadium Way Next
- Lancashire Count Council
- ClwydAlyn Housing Association
- PHS
- Liverpool University Hospitals
- Liverpool City Council
- Progress Housing

This year also saw Hft become the education partner on one programme where we have recruited a tutor and delivered employability L2 qualifications to the interns on the ClwydAlyn programme in Flintshire. We have done this through our accreditation and registration with the National Open College Network (NOCN). We were able to see 6 interns qualify this year and we will replicate the learnings from this programme across other sites as well as using them to develop an over 25 programme starting in September 2022.

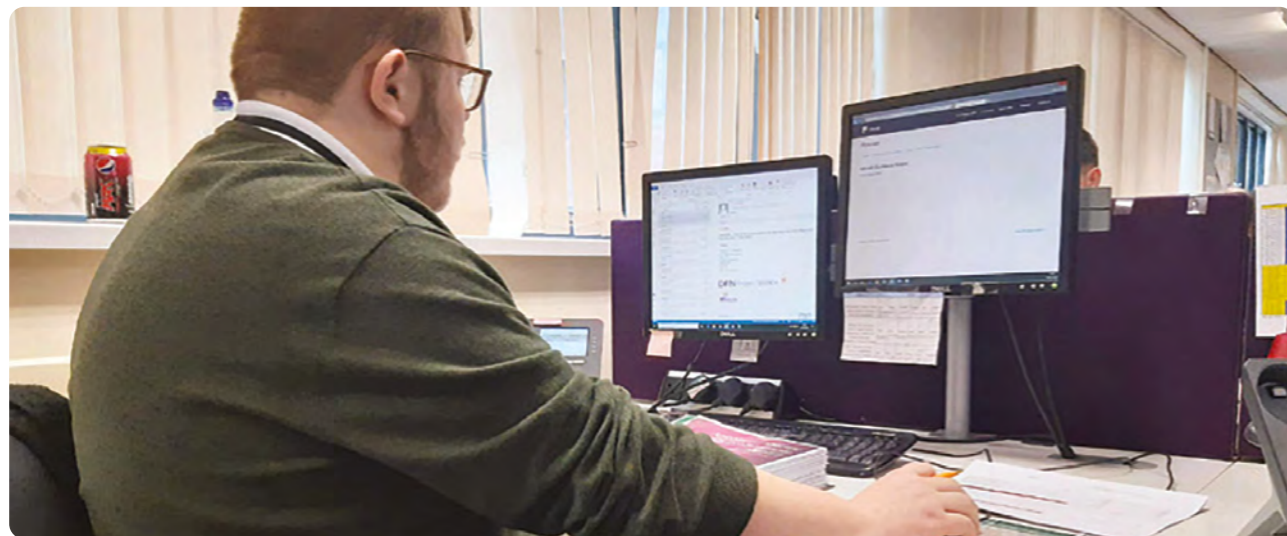
2021/2022 saw a large number of interns repeating the Project SEARCH programme as they had disruptive programmes due to the effects of COVID. However, we have seen great outcomes already from this year's intake with 36 out of the 68 interns gaining paid employment of 16+ hours per week. The programmes end in July 2022 so this figure will continue to rise.

Overall, since the first programme in 2013, we are seeing a 66% outcome of interns attaining paid employment. This is against a backdrop of the national average of only 5.1% of adults with learning disabilities having paid employment. We also track people once they have graduated from the programme, and we are showing that 91% of graduates have sustained employment for at least 6 months after graduation.

2022/2023 will see an expansion of Project SEARCH into 6 further sites:

- GXO logistics in Flintshire
- Alder Hey Children's Hospital in Liverpool
- Royal Lancashire Infirmary
- Bradford District Care Trust
- Harrogate Hospitals

This will mean that Hft are key partners in 16 Project SEARCH sites across England and Wales with a growth plan for further sites in the Midlands and Wales for future years.



## Expanding our models of care and support

### Project SEARCH Over 25 Project Pilot

In partnership with ClwydAlyn housing association as the employment partner and funded through Flintshire County Council and Hft, we have funding in place for 2 years to trial an extension to the upper age limit of the current Hft DFN Project Search offer which currently runs to age 25.

We have 8 adults with learning disabilities and Autism selected from amongst the people we support to join the programme and have identified an employability coach who has experience of working on Project SEARCH sites previously in Liverpool.

Looking ahead, the over 25 programme curriculum will be developed by a specialist tutor. Alongside the project SEARCH curriculum, in 2022/2023 we will deliver employability qualifications up to L3 through our accreditation through the National Open College Network (NOCN) registration. This will enhance the employability of the interns and build job opportunities. Part of the pilot will explore the viability of accessing

education system funding for both the under 25 and over 25 programmes. To document the progress of the interns we have also commissioned a film crew to follow the programme over the course of the first year.

### Community Connectors Pilot

The community connector model has been developed as part of the review of the Luv2MeetU programme and in line with ambitious growth plans. All previous project development workers have been redeveloped into community connectors to take a more active role in developing opportunities for the people we support.

Alongside this, we have further developed the Community Connector role as part of the new offer from Luv2MeetU, "On My Doorstep". On My Doorstep will support adults with care and support plans to access local accessible and inclusive opportunities, with appropriate support, as a shift away from building based day services. The new roles will provide leadership and guidance in developing this new approach to accessing day activities and following a pilot in Leicester in 2021/2022, will be extended to Calderdale and Shropshire over the coming year.



# Hft strategy and transformation

## Digital Transformation - Helix

**Helix** Our Helix digital transformation programme has gained pace in the last year, moving closer to implementation and the realisation of key organisational effectiveness and quality benefits.

During the year we finalised the specification and procurement of a new interfaced information system that will replace Hft's legacy systems and join up the flow of information across the organisation. Subject matter experts from housing, care and support and all areas of Hft have joined the programme to support system setup and implementation and are excited to begin implementing our new systems in the next financial year. Our care and support colleagues are looking forward to a reduced administrative burden and a more interactive approach to record keeping through the use of mobile devices for care recording, that will enable them to focus on the people they are supporting.

Helix is a significant investment for Hft, that will support our long-term financial sustainability and provide opportunities to innovate and transform the way we support and enable people with learning disabilities to live the best life possible.

## Long term horizon strategy

At our Board away days in October 2021 we began thinking about a longer strategy horizon for Hft, and subsequently began work on understanding what people with learning disabilities would like the 'best life possible' to mean for them in 2030 and beyond. This work is continuing into the new financial year, with a view to us having a strategy for Hft's long term future by the end of our 60th Anniversary year.

In the meantime, we have made progress against our current strategy, strengthening our capabilities to deliver our strategic objectives focusing on building firm foundations of organisational effectiveness, financial sustainability, outstanding people and great governance, that will enable us to provide outstanding quality and experience for the people we support through a range of projects and initiatives involving colleagues across Hft.



# Our Colleagues

As was the case for other organisations in the Social Care Sector 2021/2022 was an extremely challenging year for our colleagues as the country came out of Covid-19 lockdown and the longer-term impacts of Covid-19 on colleagues' wellbeing was seen, especially for those who had worked tirelessly throughout lockdown to ensure the people we support were safe and continued to receive good quality care and support.

To help our colleagues, we provided individual counselling and (where required) team sessions to help them through the difficult times. We also saw that some of our colleagues were struggling financially and, so launched a hardship fund using fundraised monies to enable colleagues to apply for financial support.

In 2021, we launched a new People Strategy with the purpose of; enabling Hft to attract, develop and retain the best people who are engaged, passionate and dedicated to supporting adults with learning disabilities so they can live the best life possible. Our P&O Strategy purpose will be achieved through the delivery of three goals:

- Make Talent an Advantage
- Make Hft an effective and efficient organisation
- Build a culture of pride and performance



As a result of historical funding challenges, Hft continued in 2021/2022 to lobby government for better funding for our sector, and to work with Local Authorities to increase funding to enable us to pay more competitively in the market for our frontline care and support roles. As for all providers in the social care sector, during 2020/2021 Hft had a serious recruitment and retention challenge because of Covid-19, the level of pay competitiveness in the wider job market and as a result of colleagues coming out of the Covid-19 pandemic and looking to leave the sector. The Hft Board made a bold decision to invest in increasing our basic support colleague pay from £8.91 per hour to £9.90 (ahead of the proposed increase to the national living wage to £9.50 from April 2022) and we focussed our efforts on improving our recruitment processes and candidate experience as well as launching a dedicated national recruitment campaign "Care to Join Us?" in order to attract more colleagues into Hft.

**Care to join us?**  
Hft are a national charity supporting adults with learning disabilities to live the best life possible.  
careers.hft.org.uk  
Hft Cornwall  
Vanessa Mitchell - 07901 691314  
vanessa.mitchell@hft.org.uk

**Care to join us?**  
We are hiring!  
We have full time and part time support worker positions available in Evesham, Stratford Upon Avon and Redditch.  
• We offer a fully funded Level 2 Diploma in Health and Social Care with a Top 100 apprenticeship employer (ranked 11th in 2020)  
• No experience required as we provide all the training needed for you to succeed in your role  
Hft are a national charity supporting adults with learning disabilities to live the best life possible.  
To find out more, contact:  
01789 772141  
HftWorcestershireArea@hft.org.uk  
careers.hft.org.uk

At the same time we focussed our efforts on measuring and increasing our colleague engagement; we launched our first engagement survey for many years, and completed a wide range of actions such as setting up a regular CEO briefing, organising relevant leadership and trustee visits to Hft's services, putting a new meeting structure in place for senior leaders and launching our first all colleague huddle – a live and open forum for all colleagues to ask their leadership team any questions they would like.

Following significant investment, work began in 2021 to plan the design and implementation of new modern systems across Hft. This included a new HR system which will be implemented in August 2022 and will be a key enabler to Hft becoming an effective and efficient organisation as well as providing the Trustee and Executive Board with high quality people insights to inform strategic planning and decision making.

We began an organisational restructure of our Care and Support Team to ensure we had the optimum structures and ways of working in place to deliver the best possible care and support to those we support. To ensure the change was a success and that we were embedding the right behaviours and competencies we began a skills boost programme for managers and leaders called 'Well Led' which was very positively received by those taking part and is beginning to have a positive impact.

With around 28% of our workforce currently working towards qualifications on the apprenticeship framework we continue to be a leading UK apprentice employer having been ranked 11th in the national top 100 apprenticeship employers in the UK and ranked 12th in 2022. Apprenticeships give our colleagues work-related learning, while earning a wage and help us ensure our workforce are skilled and knowledgeable and able to deliver compassionate support.

In March 2022 we were delighted to learn that we'd yet again retained our Centre of Excellence status from Skills for Care. This year's submission included a review of our virtual learning offer, which has been improved since the first lockdown; we continue to innovate and try new ways to engage with learners.



## Our Volunteers

We have 19 volunteers contributing in many different roles across Hft – Mentors, Admins, Gardeners, Drivers, Group Facilitators, Lunchtime assistants, Receptionists or helping at day services.

Our volunteers support people to get into the community and access fun activities or to go away and enjoy a short break or holiday. Whether it's supporting people with a learning disability to connect to others, or encouraging people to use their outdoor spaces, learning about growing food and plants, our volunteers help people we support to combat isolation, develop their skills and improve verbal and motor skills.



### The year ahead 2022/2023

In 2022 we have launched our ambitious People Transformation Programme which addresses three key areas:

- Effective Organisation Design – to ensure Hft has the right leadership and team structures in place
- Outstanding People – to ensure our leaders and colleagues know what is expected of them, they are invested in, developed and given the opportunity to grow
- Employee Experience Well-being & Engagement – to ensure our colleagues have good wellbeing and are highly engaged with Hft's values and purpose and are happy at work.

In April 2022 Hft was awarded Gold Accreditation from the Investors in People which is a remarkable achievement especially given the challenges we faced and shows our commitment to investing in and developing our people to achieve great things.

2021/2022 was a year of investment, fixing the fundamentals and setting the foundations to achieve our people strategy over the next few years. We have made significant progress and are confident we will achieve our aims and become an employer of choice for those wanting to make a real difference to adults in the UK with learning disabilities.

## Reference and administrative details

### Royal Patron

HRH The Princess Royal

### Trustees

**Amanda Bunce** (Chair)

**Briony Horvath** (Vice Chair to 31.03.2022)

**Simon Jones** (Vice Chair from 31.03.2022)

**Mary Ann Champion**

**Lucy Pallett** (resigned 14.10.2021)

**Paul Morgan**

**John Devapriam**

**Hilary Schrader** (retired 04.08.2022)

**Irfana Malik**

**Timothy Tamblyn** (appointed 27.05.2021)

**Hugh Piper** (appointed 26.05.2022)

**Lesley Hutchinson** (co-optee) (appointed 26.05.2022)

### Executive Management

**Kirsty Matthews** (Chief Executive)

**Becs Gratton** (Chief Operations Officer) (until 31.12.2021)

**Francis Genovese** (Chief Quality and Governance Officer from 18.07.2021 until 01.04.2022, Chief Care and Support Officer from 26.07.2022, Company Secretary from 02.08.2021 until 17.07.2022)

**Chris Hughes** (Executive Director of Environments) (until 06.04.2021)

**Louisa McCann** (Chief Commercial, Finance and IT Officer) (and Company Secretary until 02.08.2021) (until 30.11.2021)

**David Roberts** (Interim Chief Commercial Finance Director) (from 06.12.2021)

**Vanessa Edwards** (Director of Fundraising until 05.04.2021)

**Mel Corish** (Chief Strategy, Transformation and Innovation Officer)

**Jackie Jones** (Interim Chief People and Organisational Development Officer until 28.07.2021)

**Kevin Moyes** (Chief People and Organisational Development Officer from 28.07.2021 until 09.08.2022)

**Devia Gurjar** (Chief Charity and External Affairs Officer from 04.10.2021)

**Teresa Parker** (Chief Commercial Housing Officer from 11.10.2021)

### Media

 [hft.org.uk](http://hft.org.uk)

 Hft

 Hftlearningdisabilities

 Hftlearningdisabilities

 Hftonline

 HftTV

### Principal Bankers

**Lloyds Bank plc**

Canons House  
Canons Way  
Bristol  
BS1 5LL

### External Auditors

**RSM UK Audit LLP**

25 Farringdon Street  
London  
EC4A 4AB

### Internal Auditors

**Crowe UK LLP**

55 Ludgate Hill  
London  
EC4 7JW

### Solicitors

**TLT Solicitors**

1 Redcliff Street  
Bristol  
BS1 6TP

### Investment Managers

**Investec**

2 Gresham Street  
London  
EC2V 7QN

### Registered Office

5/6 Brook Office Park  
Folly Brook Road  
Emerson's Green  
Bristol  
BS16 7FL

### Reference Details

HF Trust Limited often uses the abbreviation "Hft".

The company is registered charity number 313069.

The company is registered in England and Wales as company number 734984.

## Structure, Governance and Management

### Report of the Board of Trustees

The Board submits its Annual Report and the Financial Statements for the year ended 31 March 2022.

The Annual Report and Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Statement of Recommended Practice 'Accounting and Reporting by Charities' ('FRS102'), and the Charities Act 2011.

### Constitution and status

HF Trust Limited ("Hft") is a company limited by guarantee (registration number 734984) registered in England and Wales and a registered charity regulated by the Charity Commission (registration number 313069). The company's governing document is the Memorandum and Articles of Association dated 19 October 2019. Hft is a membership organisation and the liability of each member is £10. Trustees of Hft are either elected by the members or nominated and appointed by the Board of Trustees. Trustees are the Directors of the Company; and are also members.

### Organisational structure and governance Board

The Board is made up of the Trustees of Hft appointed from the membership. They are diverse board, drawn from a wide background of demographic attributes and characteristics who also bring together professional, commercial and charitable sector experience. The total number of Trustees cannot be less than eight or more than fourteen.

There are two categories of Trustee:

**a) Elected:** A minimum of four and a maximum of seven members who are elected by the Members. Each Elected Trustee is elected for a three-year term and can serve two terms in total. An Elected Trustee must then take a break from office for a period of one year and may only be appointed for a third or further period of office with the agreement of the Chair and the unanimous consent of the Board and re-election by the Members.

**b) Nominated:** A minimum of four and a maximum of seven members. Appointed by the Board for their expertise and can serve two three-year terms in total. A Nominated Trustee must then take a break from office for a period of one year and may only be appointed for a third or further period of office with the agreement of the Chair and the unanimous consent of the Board.

In addition, a member can be co-opted by Board to fill a Trustee vacancy during the year. Co-opted Trustees, if they wish to continue, have to either seek election at the first Annual General Meeting after their appointment or shall be eligible for appointment as a Nominated Trustee by the Board following such Annual General Meeting.

Trustees cannot be members of staff and Trustees do not receive any remuneration or any other benefits from Hft other than payment of reasonable expenses.

The primary role of the Board of Trustees is to focus on strategic direction, growth and risk management. The Board of Trustees meets at least 4 times a year, and also holds an Annual General Meeting for members. The Executive Board also attend the Board meetings, together with other members of the senior staff management team as appropriate.

Trustee succession planning is part of the annual governance cycle with vacancies being externally advertised. The tailored Trustee induction process ensures that each Trustee is provided with a thorough and comprehensive understanding of Hft, our history, our services and the world in which we operate. The induction programme is also designed so each new Trustee has a full understanding of their role, their legal, regulatory and other responsibilities; and is aware of the commitment required throughout their tenure. Trustees undertake an annual appraisal process, reflecting on individual and collective performance. The outcomes inform the Board's training and development programme which is delivered through a combination of e-learning, formal training courses and remotely held or face to face meetings. In addition, Trustees undertake an agreed number of service visits each year.

## Board Committees

The Board of Trustees delegates some of its powers and functions to standing Committees, each of which covers specific aspects of the Charity's work.

Each Committee has its own terms of reference, and their reports are standing agenda items for the main Board meetings. Each Committee is chaired by a Trustee and is attended by appropriate senior members of staff. The committee structure underwent a review in 2021 and as a result changes were made to ensure the work of the committees more effectively supports that of the Board. Committees as at 31st March 2022 are as follows:

Audit & Risk Committee <b>'A&amp;R'</b>	At least 4 times a year	<ul style="list-style-type: none"> <li>To support the Trustees and subsidiary Board Members discharge their duties in relation to financial controls accountability, risk management, internal controls, and assurance.</li> <li>Ensure all risk management, controls and assurance processes are effectively managed across the whole organisation, including the subsidiaries</li> </ul>
People & Governance Committee <b>'P&amp;G'</b>	At least 4 times a year	<ul style="list-style-type: none"> <li>To oversee the recruitment of Trustees, the Chair and the Chief Executive Officer and other Board members of subsidiaries where applicable.</li> <li>To approve all Chief Officers' contractual terms and job descriptions including any bonus arrangements and to decide on any changes to the remuneration and eligibility for bonuses.</li> <li>To review and monitor delivery against any People Strategy, and any annual pay award and key service conditions of all employees.</li> <li>To oversee and regularly review the Governance Framework and provide the Board with assurance and recommendations for improvement where appropriate.</li> <li>To receive the self-assessment against the Charities Act 2011 and the Charity Code of Governance and recommend and monitor action where appropriate.</li> </ul>
Finance & Performance Committee <b>'F&amp;P'</b>	At least 4 times a year	<ul style="list-style-type: none"> <li>Oversight of budgeting and financial planning, financial reporting, and the creation and monitoring of internal controls and accountability policies to ensure the organisations financial health.</li> <li>Monitor the performance and risks of the commercial finance portfolio against the cost benefits targets in the Financial Plan.</li> <li>To review available financial resources annually, with the report on the principal internal allocation of resources, and to recommend a budget to the Board.</li> <li>Overseeing and providing accountability over the public assets and resources</li> </ul>
Quality Committee <b>'Q'</b>	At least 4 times a year	<ul style="list-style-type: none"> <li>Support the organisation to deliver its strategic quality objectives through clear monitoring, assurance and development of the objectives needed to ensure the support given by Hft, to people, contributes to them achieving their best life possible.</li> <li>The three focus areas for the Quality Committee will be to assure Hft Board on the degree to which Hft services are safe, effective and person centred</li> </ul>
Fundraising Committee <b>'F'</b>	At least 4 times a year	<ul style="list-style-type: none"> <li>Ensure that Charity and External Affairs Strategy meets Hft charitable aims.</li> <li>Oversee the preparation, review and scrutiny of the Fundraising Plan, providing advice and expertise where required.</li> <li>Monitor financial controls around fundraising including adherence to the legislative and regulatory frameworks such as but not limited to Fundraising Regulators Code of Practice, Charity Commission, Gambling Commission, ICO, HMRC, PCISSC.</li> <li>Oversee and monitor the development of and progress against the Hft brand strategy.</li> <li>Oversee and monitor the development of the Hft advocacy mandate.</li> </ul>

Other committees and working parties are established from time to time, in order to address specific issues.

The Trustees who serve on the Board and its Committees during the financial year as at 31st March 2022 are:

Name	Committees	Status	Appointed
Amanda Bunce (Chair)	P&G, F	Nominated	01/02/2018
Briony Horvath (Vice Chair to 31.03.2022)	P&G	Elected	19/10/2018
Mary Ann Champion	Q	Elected	19/09/2019
Simon Jones (Vice Chair from 31.03.2022)	A&R, F&P	Elected	20/10/2017
Paul Morgan	F	Elected	19/10/2018
John Devapriam	Q	Elected	20/06/2019
Hilary Schrader	P&G	Nominated	19/09/2019
Irfana Malik	A&R	Nominated	19/09/2019
Timothy Tamblyn	A&R, F&P	Nominated	27/05/2021

In May 2021 the Board of Trustees adopted the Charity Code of Governance. Following an external review of corporate governance, there has been focus and commitment to ensure Hft are either working towards or achieving high standards of governance whilst recognising the requirement for a programme of continued improvement.

## Operational structure

To ensure a strong Hft for the future we have taken an objective look at where we are and where we need to be. A key part of this is the need to balance our strategic focus across our three core business areas: Care and Support, Homes and Charity.

To deliver our strategy to improve and transform we have to ensure that we have the right leadership, governance and accountability at Executive level. We have recruited to an executive leadership structure that delivers commercial focus in partnership with ensuring high quality services, which strengthen our charitable status and external voice to reach as many people with learning disabilities as possible. This will restore our place as innovators through our capacity to apply market and business intelligence, so we can identify, recognise and act on opportunities for growth and development; and be able to respond in an agile and efficient way when these arise.

Our Executive Board is made up of seven Chief Officers who support our three key areas: Homes, Care and Support and Charity. The structure underpins a culture where all roles are recognised as contributing in equal measure to the success of Hft.

This is a positive time of investment in transformation for Hft as we look to the future, and these structural changes are a critical foundation allowing us to prepare the organisation for growth and to enable us to transform our services and the culture at Hft, so that we can continue to provide high quality and financially sustainable services for people with learning disabilities for years to come.

## Related parties and subsidiaries

At the balance sheet date and throughout the year, Hft had three, wholly owned subsidiary companies, which are incorporated in the United Kingdom.

Hft Trading Limited undertakes non-primary purpose trading activities; Hft Property Limited has made no commercial transactions during the year. Luv2meetU Community Interest Company, undertakes the activities of a friendship agency for adults with learning difficulties.

## Gender Pay Reporting

Hft has submitted its annual gender pay report providing a snapshot of our gender pay data as of 5 April 2021. At that time, our total workforce consisted of 762 men and 2,385 women, meaning we employed around three times as many women as we do men – a circumstance that is not unusual in the social care sector and has not significantly changed since we started gender pay gap reporting in 2017.

### Hourly pay

#### 1. Mean gender pay gap in hourly pay

The mean gender pay gap in hourly pay is the average hourly rate of pay, calculated by adding the hourly pay rate for employees then dividing by the number of employees.

Based on the mean (average) hourly rate of pay for male and female employees in the relevant pay period, our mean gender pay gap is 4.1% (women lower).

According to the Office for National Statistics, the gender pay gap among all employees increased to 15.4% in 2021, up from 14.9% in 2020, but this is still down from 17.4% in 2019.

While Hft is not complacent about gender and pay, we note that our 4.1% gap is approximately a quarter of the size of the national gap, down from a third in 2020.

#### 2. Median gender pay gap in hourly pay

The median gender pay gap in hourly pay is the middle hourly pay rate, when you arrange your pay rates in order from lowest to highest.

Based on the median (middle) hourly rate of pay for male and female employees in the relevant pay period, our median gender pay gap is 0.3% (women lower).

As mentioned above, Hft is not complacent about gender and pay, but we consider that 0.3% is not a highly significant gap.

## Bonuses

Bonuses do not play a significant part in Hft's reward strategy. This approach is not unusual in social care. Where bonuses have been paid they have mainly been awarded in recognition of the long service of our fantastic and committed colleagues and are used to encourage and reward their loyalty.

#### 3. Mean bonus gender pay gap

Based on the mean (average) bonus pay for male and female employees in the relevant pay period, our mean gender bonus gap is 3.6% (women lower).

#### 4. Median bonus gender pay gap

Based on the median (middle) bonus pay for male and female employees in the relevant pay period, our median gender bonus gap is 50% (women higher).

#### 5. Proportion of males and females receiving a bonus payment

The proportions of male and female employees who received bonus pay during the relevant pay period are as follows (percentages are rounded to one decimal place):

**Male employees: 4.3%**

**Female employees: 3.9%**

#### 6. Proportion of males and females in each pay quartile

The following table separates our entire workforce into four 'quartiles' (parts) based on the salaries that are paid to these employees. These quartiles are then further broken down into the number and proportion, expressed as a percentage, of male and female employees in each one:

Quartile	Male	Female
A (upper)	25.15%	74.85%
B (upper middle)	25.59%	74.41%
C (lower middle)	22.04%	77.96%
D (lower)	27.07%	72.93%

## Employee Consultation and Engagement We're Listening:

Hft has embarked on a purposeful, direct listening strategy, aimed at building colleague engagement and ensuring a cycle of regular feedback from colleagues. As part of this, our 'We're Listening' survey conducted with all our colleagues at the end of 2021 has offered valuable insights into our colleague experiences. The data has showed that our overall engagement score was 55% which is not where we want it to be – our target over the next 2 years is to reach 80%. We have set up thematic colleague groups and developed clear action plans to enable us to continue to increase engagement in Hft. Our May 2022 pulse survey showed a 5% increase since the previous survey. In addition, our survey results tell us that 77% of respondents believe that Equality, Diversity and Inclusion (EDI) is important at Hft. Whilst we're pleased with this result, we have also committed to further actions within our EDI strategy, including a continued focus on gender issues.

### Terms and conditions review:

In 2021, Hft embarked on a review of all employees' terms and conditions of employment in order to tackle inconsistency and increase equity across the organisation. This review will remove variations in contracts of employment and has been subject to a rigorous collective consultation process.

### Structural Fundamentals:

Hft continues with its "Structural Fundamentals" programme which includes the development of a job matching framework, benchmarking and reward strategy primarily for our Central Support Services Staff. These measures will provide an important opportunity for us to equality-proof our pay arrangements.

### Information systems and ways of working:

Hft continues our organisation-wide programme to transform our information systems and ways of working and we will start to realise the benefits of this during 2022. This transformation programme will give us:

- modern, user-friendly systems
- reliable and trustworthy data and insight
- standardised and joined-up processes

- more time back to do what we do best – providing support

The people workstream of this transformation will also enhance our ability to gather and report on people data – including on gender and pay.

## Partnership Forum

Hft entered into a Partnership Agreement with all employees in 2013. The purpose of the Agreement was to provide a framework for the Management and the Employees to participate in joint planning and decision-making processes, working as partners to jointly drive the organisation forward and solve problems. The parties in the Agreement have given a commitment to work together to promote a positive and effective relationship with the following principles;

- Joint commitment to the success of the organisation
- Joint recognition of each other's legitimate interests
- Joint commitment to employment security
- Joint focus on the quality of working life
- Joint commitment to operating in a transparent manner
- Joint commitment to add value to the arrangement

The implementation of the Partnership Agreement is facilitated through the Partnership Forum. Representatives from all areas of the organisation receive training and support to act on behalf of all employees at a local or national level.

## Equality and Diversity Policy

Hft's policy states that;

**“ We value people equally without discrimination with regard to gender, sexual orientation, age, race, beliefs, culture, chosen lifestyle or disability. This approach applies to the people we support, their families, Hft colleagues and others with whom we have contact.**

We ensure that the policy is implemented through clear statements in our recruitment advertisements and reinforced in the induction training. Specific training is given to any member of staff in a managerial or recruiter position ensuring that they are aware of the law and Hft's policies.

There are policies in place to:

- Give full and fair consideration to applications for employment with Hft made by disabled persons having regard to their particular aptitudes and disabilities.
- Continue the employment of, and arrange appropriate training for employees of the company who have become disabled persons during their employment.
- Support the training, career development and promotion of disabled persons employed by the company.

### Modern Slavery Statement

The Modern Slavery Act 2015 came into force on 29 October 2015 and introduced changes in UK law focused on increasing transparency in recruitment and supply chains. It sets out a duty on larger organisations to publicly report steps they have taken to ensure their operations and supply chains are trafficking and slavery free. As such any organisation, including charities, which supply goods or services and have a minimum annual turnover of £36 million, are required to produce an annual Anti-Slavery and Human Trafficking Statement that is approved at the highest level in the organisation and is made available on the organisation's website. Our statement can be found at:

[www.hft.org.uk/ModernSlaveryActStatement](http://www.hft.org.uk/ModernSlaveryActStatement)



## Strategic Report: Objectives, Activities and Public Benefit

### Aims and objectives

Hft's principal objectives, as stated in the Memorandum and Articles of Association, are as follows:

- To enable and support people with learning disabilities to experience fulfilling lives in ways which maximise their involvement in the community and participation as citizens, and to exercise choice.
- To offer advice to and support for those who care for people with learning disabilities.

### Principal activities

The principal activities of Hft in support of these objectives are as follows:

- The care, support and personal development of adults with learning disabilities provided in supported living and residential settings, and both building-based and home-based day services.
- The delivery of care and support is based on what a 'best life possible' looks like and all the support we offer is aimed at helping people to live with more independence and choice; excellent person-centred support, ensuring we provide quality services that are continually improving through feedback from the people we support, their families and our Involvement team.
- The provision of housing solutions for the people we support; tenancies in flats and shared houses for those in supported living and comfortable, safe spaces for residential houses.

In addition to the funded activities, as a Charity Hft chooses to provide enhanced opportunities for adults with learning disabilities through services funded through fundraised income:

- The Family Carer Support Service (FCSS) is available for any carer to access (free of charge), and provides online and telephone help, support and signposting for carers, together with other resources, such as guides to new care legislation and guides to state benefit changes.
- Through Project SEARCH we support training opportunities to support people into internships and employment.
- Our Personalised Technology service provides consultancy, advice and equipment to improve safety, and quality of life.

- Our Luv2MeetU friendship and dating agency for people with a learning disability. Members have opportunities to make new friends, share interests and develop relationships, helping to combat isolation and loneliness and improve overall health and well-being.

### Public benefit

Hft's Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives, and in developing plans for future activities.

Hft is committed to using a combination of fundraised money and reserves in order to fund the vital charitable services and projects which are provided, over and above the day-to-day delivery of care services on behalf of local authorities.

The four principal projects which fall under the charitable projects umbrella are the Family Carer Support Service, the initial set up of Project Search employment support programmes, Personalised Technology and the Luv2meetU project.



# Achievements and Performance

## Strategic plan and key drivers

Hft's aspiration is to be a leading provider of adult learning disability services in the UK. We want the best life possible for all of the people we support and to achieve this we recognise that efficiency and productivity continue to be critical, and that investment in colleagues and technology are key to long-term sustainability.

With the arrival of a new CEO in December 2020 the strategy was reviewed to ensure that it was robust to future challenges and maximised emerging opportunities. Our latest published strategic plan runs from 2021 to 2024 and sets out our three-year plan on becoming the Hft of the future. It focuses on building strong foundations to create a sustainable platform for growth and balances our efforts equally across providing innovative care and support, providing excellent homes and increasing our impact and reach as a charity. These pillars are underpinned by a series of enablers of great governance, financial sustainability, outstanding people, and organisational excellence to become a highly effective organisation. Whilst the key drivers remain relevant, the pandemic has changed the face of the sector we work in, and our organisation, and has produced challenges and opportunities which we could not have foreseen when we committed to the plan in 2020. The pandemic has also adversely impacted on the occupancy levels of our homes because of the reduction in referrals from key stakeholders. During 2022, Hft colleagues are making efforts to rekindle these relationships and raise the profile of Hft locally to improve occupancy. To develop our future long-term strategy, we have started a process of consultation in 2022/2023 with adults with learning disabilities, our colleagues and supporters so that we can identify what role Hft can play in creating a world where adults with a learning disability can live their best life possible.

Our statements reflect progress against the published strategy, with notes on the impact of the pandemic on that progress.

## Get the basics right

*We will 'get the basics right' for all our service delivery models to ensure we deliver and evidence the best life possible for all those we support.*

We maintained our position of 90% of registered services rated as good or outstanding, despite the significant challenges which the organisation faced as the result of the pandemic. Hft had one service rated Inadequate by the CQC however, this has already improved to a Requires Improvement rating.

## Financial sustainability

*Our organisation will be financially sustainable through the delivery of funded services and housing. We will invest in the processes, systems, culture and capability to ensure we are robust to both a low fee and rising wage environment.*

Operating contribution increased from the previous year despite fee stagnation, inflation and additional pressure from the increase in national living wage, and high vacancies leading to a continued reliance upon agency staff. Without the impact of the pandemic the financial results from the delivery of care would have been worse as the position was offset by the Covid related grants received.

We continued the work we had started on the turnaround of financially underperforming services and, specifically, where significant underfunding from the local authority had meant services were financially unsustainable. There is further work to review underperforming services in the coming years and determine actions required to ensure financial sustainability and to provide funds for future growth and expansion.

There was minimal opportunity for growth during the year as Hft focused its efforts on maintaining safe services through the pandemic and working to determine the future strategy. In addition, the time taken to fill voids increased due to lockdown measures as people were unable to view properties and our Hft colleagues and Local Authority referring agencies were also fully occupied with the effects of the pandemic.

The level of overheads across Hft is above benchmark best practice, in part this level will be reduced through the implementation of the Helix Transformation Programme, however additional work is being undertaken to look at other opportunities to deliver further efficiencies through a review of all

office sites particularly as we move to a more hybrid approach for ways of working.

## Systems development

*We will optimise our central support functions to gain data and insight from our systems and achieve the productivity gains they offer.*

Our ambition has grown in the year and we are undertaking a holistic systems, process and culture review and transformation project in order to deliver on this objective. We recognise a historic underinvestment in our infrastructure and the need for improved efficiency to remain competitive within the available fee structure.

## Complex Behavioural Needs services

*Our aim is to deliver consistent and sustainable services for those with complex behavioural needs.*

As we emerge from the pandemic our priority continues to be to ensure the health, safety and wellbeing of those people already in our care, as we reconsider our ambitions for the future. The ongoing lack of progress by Government to address the key challenges of the Transforming Care Agenda and make the necessary investment needed in to improving and increasing community provision, has further hindered our ability to progress with service developments in this particular area.

## Growth Opportunities

*We will continue to focus on growth opportunities.*

The work we are doing on our longer-term strategy will allow us to identify those areas of focus for Hft for business development, we anticipate the first phase of this strategic work being completed by Autumn 2022. In the shorter term we will look to ensure all our voids are filled and our income is in line with our costs.

## Property management

*We will be excellent at the development of new homes which complement existing provision and meet identified needs.*

*We will dispose of miscellaneous older stock or sites where reinvestment is not viable and re-circulate receipts within the charity.*

During the year;

- Our like-for-like housing income rates have been increased by CPI +1%.
- We have published a comprehensive asset management strategy which identifies our approach to energy efficiency, disposals and ensuring that our stock databases are updated on a regular basis and to maintain updated life cycle costing programmes for all our properties.

## Fundraising

*We will maximise income to support activity designed to provide the best life possible for the people we support.*

In the year, Hft's Fundraising department continued to secure philanthropic funds from a range of supporters to enable its work to enhance the lives of thousands of people with learning disabilities.

We aim to comply with all standards set by the Fundraising Regulator in its Code of Fundraising Practice and have a quarterly review to measure our compliance with the Code. In particular, where professional fundraisers and fundraising agencies are engaged and working on our behalf, we ensure that the solicitation statements are in place and that their activities are monitored. We also adhere to the Code as it relates to treating people fairly and, in particular vulnerable adults, to ensure that they may be protected and not subjected to unreasonable pressure to give a donation.

The Fundraising Committee also reviews our fundraising activity at regular meetings to ensure we are acting responsibly within fundraising regulations, particularly relating to vulnerable adults. They also monitor the performance of fundraising activity to ensure we deliver value for money for our supporters. We value our relationship with supporters and donors and are therefore pleased that the year saw only 6 complaints about our fundraising activity which is a 50% reduction on the previous year.

We would like to express our thanks to the following organisations, trusts and individuals who have supported us in the year to 31 March 2022, as well as those who prefer not to be named:

**Andrew Collinge**

**City of Bradford Metropolitan District Council**  
**Flintshire County Council**  
**Flintshire Local Voluntary Council**  
**Froxfield Charitable Trust**  
**G M Morrison Charitable Trust**  
**Gerald Micklem Charitable Trust**  
**Gloucestershire County Council**  
**Good Things Foundation**  
**Helen Roll Charity**  
**Kingston Nursing Association**  
**Kirklees Council - Community Plus**  
**Leeds Community Foundation**  
**National Emergencies Trust**  
**Nova – Wakefield**  
**Patrick & Helena Frost Foundation**  
**Ros and Christopher Cliffe**  
**S D Whitehead Charitable Trust**  
**The Shackleton Family**  
**The Bassil Shippam and Alford Trust**  
**The Blair Foundation**  
**The Hadley Trust**  
**The Lee Family**  
**The Morgan Charitable Foundation**  
**The National Lottery Community Fund**

### Investments

Total invested assets increased from £6.88m to £7.26m driven by increases in asset valuations and income. The Investec portfolio closed the year at £6.3m (£6m 2021); a gross return of 5.5% on the year and the income yield was 2.25% for the year.

The Brewin Dolphin portfolio closed the year at £867k; a gross return of 7.65% on the year, compared to a prior year gross return of 27% and the income yield was 2.9% (3.05% 2021) for the year. Hft has a prudent investment strategy which balances potential returns with an appropriate level of risk.

### Environmental policy

We are committed to becoming a more sustainable organisation and for this reason we will employ in 2022 an individual with significant knowledge around how to deliver various elements of sustainability who will work with the Head of Asset Management to develop a comprehensive Sustainability Strategy.

Many of our asset management priorities are relevant to the development of our draft Sustainability Strategy, in particular we aim to:

- Implement an energy strategy to improve the quality of life for residents.
- Dispose of miscellaneous older stock or sites where reinvestment is not viable.

We recognise the impact of rising energy costs and on the ability of the people we support to pay their fuel bills. Over the next 2 years we will ensure investment is made in our stock to improve our energy efficient rates and prioritise those properties with an EPC rating lower than a C.

### Carbon policy

As part of the Streamlined Energy & Carbon Reporting (SECR), we are required to report on energy and greenhouse gas emissions.

### Energy and Greenhouse Gas Report

Hft has appointed Carbon Footprint Ltd, a leading carbon and energy management company, to

independently assess its Greenhouse Gas (GHG) emissions in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2021 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The operational control approach has been used.

The table on the next page summarises the GHG emissions for reporting year: 1st April 2021 to 31st March 2022. As a business we have been assessing our carbon emissions since 2019 and have provided this baseline year and last year's assessment results for comparison.



Scope	Activity	Location-Based tCO <sub>2</sub> e		
		2019/20	2020/21	2021/22
Scope 1	Site gas	996.50	933.58	1,288.38
	Company car travel*	292.71	96.30	27.91
	Refrigerants	-	98.34	0.00
	Vehicle fuel usage	160.33	87.88	-
	Site LPG	116.41	80.83	-
<b>Scope 1 Sub Total</b>		<b>1,565.93</b>	<b>1,296.93</b>	<b>1,316.29</b>
Scope 2	Electricity generation	490.82	366.12	681.55
<b>Scope 2 Sub Total</b>		<b>490.82</b>	<b>366.12</b>	<b>681.55</b>
Scope 3	Well-to-Tank	-	232.08	451.13
	Employee-owned car travel (grey fleet)	-	-	61.93
	Electricity transmission and distribution	41.67	31.49	60.31
	Cash-opt out car travel	76.44	-	21.49
	Rail travel	-	-	0.41
	Bus travel	-	-	0.40
	Hire cars	-	-	30.86
	Taxi travel	-	-	0.16
Motorbike travel	-	-	0.14	
<b>Scope 3 Sub Total</b>		<b>118.11</b>	<b>263.56</b>	<b>626.83</b>
<b>Total tonnes of CO<sub>2</sub>e</b>		<b>2,174.86</b>	<b>1,926.62</b>	<b>2,624.69</b>
<b>Tonnes of CO<sub>2</sub>e per employee</b>		<b>3.03</b>	<b>2.58</b>	<b>1.25</b>
<b>Tonnes of CO<sub>2</sub>e per £M turnover</b>		<b>25.64</b>	<b>22.15</b>	<b>29.37</b>
<b>Total energy consumption (kWh)**</b>		<b>10,082,670</b>	<b>7,800,265</b>	<b>10,922,202</b>

\*In the 2021/2022 assessment the mileage distribution between company leased cars and cash-opt out car mileage claims is not known due to a staff member unexpectedly leaving the company. To account for this all mileage for 2020/2021 has been categorised as scope 1 company car travel.

\*\*Total Energy Consumption includes UK Electricity, UK Site Gas, Company Owned Vehicles and Employee-owned vehicles (grey fleet).

During 2021/2022, Hft made the decision to start to move away from our fleet car arrangement for colleagues, and to consider carefully before travelling to meetings, and consider alternative on line options.

During 2021/2022 Hft undertook an evaluation of the energy efficiency values of our properties using the (Standard Assessment Procedure (SAP ratings)). The average SAP score for our homes is 68, slightly better than the average for all homes in England. This data will be used to produce an investment plan for improve the energy efficiency of our homes during 2022/2025.

Activity	Baseline Year 2019/20	Previous Year 2020/21	Current Year 2021/22
<b>Total energy consumed (kWh)</b>	<b>10,082,669</b>	<b>7,800,265</b>	<b>10,922,202</b>
<b>Total Gross Location-Based Emissions (tCO<sub>2</sub>e)</b>	<b>2,174.86</b>	<b>1,926.62</b>	<b>2,624.69</b>
<b>Intensity ratio: tCO<sub>2</sub>e (gross Scope 1 &amp; 2, location-based) per £M revenue</b>	<b>24.25</b>	<b>19.12</b>	<b>22.36</b>

# Internal Controls Statement

The HF Trust Limited (Hft) Board has overall responsibility for establishing and maintaining the whole system of internal control for Hft and its subsidiaries and for reviewing its effectiveness.

The Hft Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of Hft's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which is embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which Hft is exposed and is consistent with Turnbull principles.

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes the items listed below:

- Identification and evaluation of key risks.
- Management responsibility has been clearly defined for the identification, evaluation and control of risks.
- There is a formal and ongoing process of management review in each area of Hft's activities.
- The Executive Board regularly considers and receives reports on significant risks facing Hft and is responsible for reporting any significant changes affecting key risks.
- The Audit & Risk Committee has responsibility for monitoring progress to mitigate risk which it does at every meeting.
- Each Committee of the Board on its area of responsibility considers opportunities and risk; providing challenge and instruction to the Executive, and where appropriate escalates risks to the Audit & Risk Committee and to the Hft Board.

Following an external governance review which included a review of Hft's risk management approach, the following key improvements have been introduced/strengthened over the last year:

- a three line of defence risk and assurance model has been adopted
- corporate level risk register in place
- appointment of internal auditors, to deliver a Board approved assurance program
- departmental risk registers in place
- clear action and assurance plan to monitor risk management which the Audit & Risk Committee monitor

As a commercial business, providing care, support and housing to people while being a registered charity, Hft operate with a number of themed risks being managed at the Corporate level.

The main threats to the business are all linked and are impacted by each other. They are within the themes of our staff teams; keeping the people supported safe and satisfied; and the ability to remain financially sustainable and improve commerciality.

The Board confirms there has been no breakdown in internal control resulting in material losses, contingencies or uncertainties which would require disclosure in the financial statements during the year.

## Principal Risks

Principal Risks to Hft	Actions Being Taken to Mitigate
Failure to provide adequate care and support for the people we support in line with our obligations regarding Duty of Care.	<ul style="list-style-type: none"> <li>• Policies and operating standards in place.</li> <li>• Registered managers in place who are responsible for the delivery of care and support.</li> <li>• Leadership structure in place with leaders who have accountability for delivering care and support services.</li> <li>• Independent audit function monitoring.</li> <li>• Mandatory training completion.</li> <li>• Robust incident reporting system in place.</li> </ul>
Failure to generate sufficient income and maintain economic solvency.	<ul style="list-style-type: none"> <li>• Clear finance reporting statements, ownership and accountabilities.</li> <li>• Regular reporting financial KPI's against pre-agreed benchmarks for income and costs.</li> <li>• Financial systems and data management; finance, CRM and Housing Management.</li> <li>• Clear accountability for business case evaluation and sign off.</li> <li>• Clarity and agreement on financial models for Care and Support, Housing and Fundraising.</li> </ul>
Failure to achieve future growth plans as lack of transformation fails to deliver improvements in efficiencies and processes.	<ul style="list-style-type: none"> <li>• Benefits realisation from organisation-wide transformation programme delivers organisational effectiveness and improved competitive position.</li> <li>• Implementation of Transformation Programme Governance structure and reporting to monitor transformation delivery.</li> <li>• Implementation of annual planning process to align portfolio budgets and delivery plans to strategic objectives.</li> </ul>
Failure to recruit, retain and invest in an effective workforce.	<ul style="list-style-type: none"> <li>• Far reaching People Strategy which is all aimed at enabling Hft to be an employer of choice which retains excellently trained colleagues.</li> <li>• Recruitment &amp; retention KPIs in place to monitor performance and risk.</li> <li>• Employee engagement survey undertaken and action planning being completed.</li> </ul>
Failure to have safe buildings for the people we support to live in.	<ul style="list-style-type: none"> <li>• Completion of stock condition surveys.</li> <li>• Internal Audit completed on property compliance with resulting action plan identified.</li> <li>• Reporting on compliance from contractors.</li> <li>• KPI compliance monitoring in place and presented to key stakeholder groups.</li> </ul>
Failure to operate effectively and efficiently due to unsatisfactory/lost data, digital and IT systems.	<ul style="list-style-type: none"> <li>• IT infrastructure investment.</li> <li>• IT hardware roll out begun to improve security.</li> <li>• Server and software upgrade activity undertaken to facilitate Cyber Essentials security accreditation.</li> <li>• Training in IT skills to enable colleagues to perform their roles efficiently.</li> </ul>
Lack of ability to react to situations requiring business continuity inputs.	<ul style="list-style-type: none"> <li>• Key policies and procedures in place.</li> <li>• Care &amp; Support service continuity plans in place.</li> <li>• Winter resilience plans in place for care &amp; support service delivery.</li> <li>• Systems and IT controls in place to manage system outages.</li> </ul>



## Director's and Officers' Liability Insurance

Hft and its subsidiary companies have insurance to cover Trustees' and Officers' liability to the value of £10m, as permitted by the Companies Act 2006 at a cost of £13k (2021: £13k).

## Consideration of Directors' Responsibilities

### Section 172 Statement:

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

### The likely consequence of any decision in the long term

Our strategic objectives are part of a long-term strategy to improve the lives of people with learning disabilities both now and in the future. We review external developments and policy, and horizon scan for future trends, and ensure that our plans can be adapted as needed to meet changing circumstances and ensure sustainability.

### The interest of the company's employees

Our employees are vital to Hft and we regard on-going, regular engagement with them as a top priority. Employee engagement is important to us at Hft. Our Employee Experience Partner continues to shape, to help lead and deliver our commitment to enhanced employee experience and engagement. We involve the Partnership Forum at early stages in decision making and they meet regularly with the Executive team to share thoughts, plans and opinions. During the year they are consulted and their approval accredited on new policies, strategy, wellbeing, retention, face to face training and employee awards. For more details and examples of employee consultation and engagement, please see page 43.

### The need to foster the company's business relationships with suppliers, customers and others

Our relationship with partners, funders, suppliers, local authority commissioners, the people we support and their families are key to our effectiveness. We work with them closely to develop mutually beneficial relationships; an example of this is our supported employment initiative Project Search which you can read about in more detail on page 32.

### The impact of the company's operations in the community and the environment

We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. More information on how we care for the environment can be found in our Carbon Policy and Energy and Greenhouse Gas Report on page 48.

### The desirability of the company maintaining a reputation for high standards of business conduct

Our reputation and public trust in Hft are fundamental to our future success. We use our organisational values and behaviours in our requirement for and training of both employees and volunteers to ensure that we maintain high standards. We lay out our expectations within our colleague code of practice and discuss performance during supervisions, continuing conversations and appraisals. Our procurement and ethical policies and procedures ensure that our values also are a key part of our selection of partners and suppliers. We are regulated by the Care Quality Commission and the Charity Commission and our CQC results are publicly available.

### The need to act fairly as between members of the company

We aim to be a fully inclusive organisation which is relevant and accessible for anyone with a learning disability, their families and our colleagues. We will not unfairly discriminate against anyone.

# Financial Review

The year continued to be dominated by Covid-19 and managing the impact on colleagues and the people we support.

At the start of the pandemic we took a decision that we would not furlough our colleagues and that they would continue to support our beneficiaries, and this applied to all direct staff and those in supporting roles. Like many organisations we continued to enable safe working environments for those delivering services and working from home. We invested heavily in PPE and Covid-19 related services, all of which was covered through a number of Government funded schemes and had little financial impact on the organisation.

Throughout much of 2021 the staff availability fell below 85% with a significant number of colleagues having to shield for health or sickness reasons. The remainder of our colleagues were flexible in working to cover services, however we also needed to rely on agency staffing which delivered a significant cost to the organisation.

The pandemic did impact the capital disposal programme so that property sales were delayed until the start of the 2022/2023 financial year, however the restrictions on movement and the difficulties in acquiring materials and contractors meant that the investment levels were similarly reduced in the housing portfolio.

There remain significant challenges in the funding of Care services which are subsequently reliant on being supported through other profitable channels and we continue to review the hourly rates and weekly fees to ensure that we can continue to provide sustainable services, as well as challenging ourselves on costs and overheads.

## Income

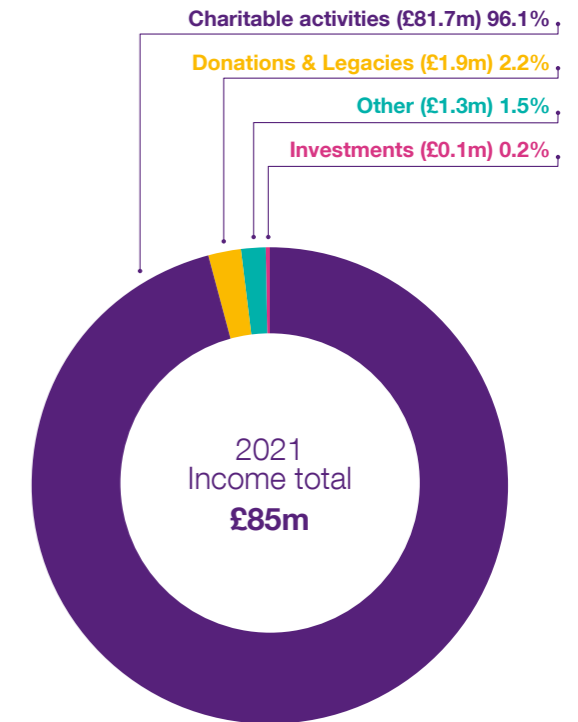
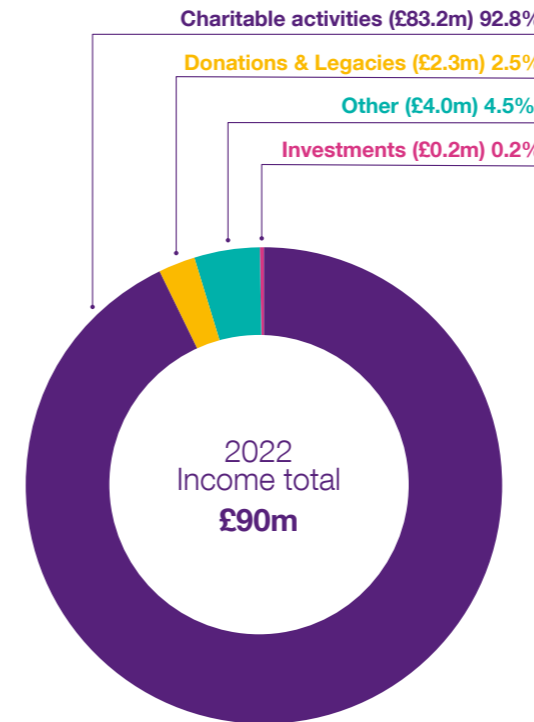
Income from charitable activities includes service fee income, special projects and community interest company income. In addition to this are trading activities, fundraising, and investment income.

Total income from organisational activities increased to £89.7m (2021: £85.0m), with increases across all income categories; £1.5m fees, £0.4m donations and legacies and £2.7m other income. Other income included a £0.7m accrual following a business interruption claim settlement (income received in April 2022) and £0.5m gain on asset disposals.

Fee income from the provision of care services to Local Authorities in the UK in the year of £83.2m represents an increase of 1.9% on 2021: £81.7m. The increase is driven by fee uplifts received during the year. Fee income delivered 93.2% of total income compared to 96.1% in 2021.

Income from donations and legacies of £2.3m increased by £0.4m on the previous year.

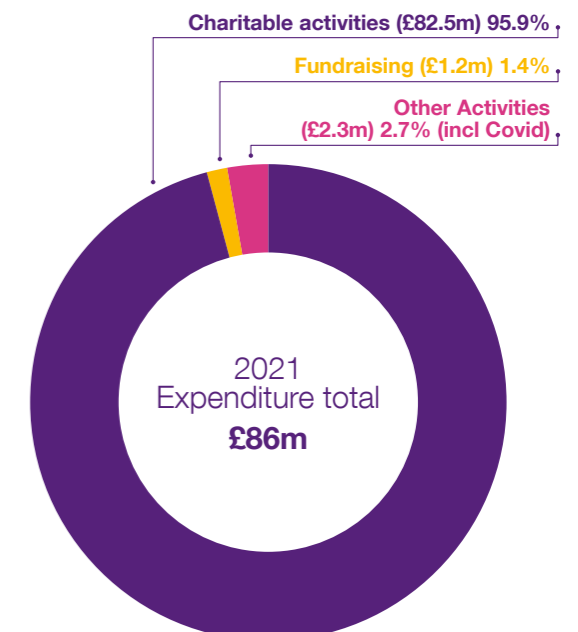
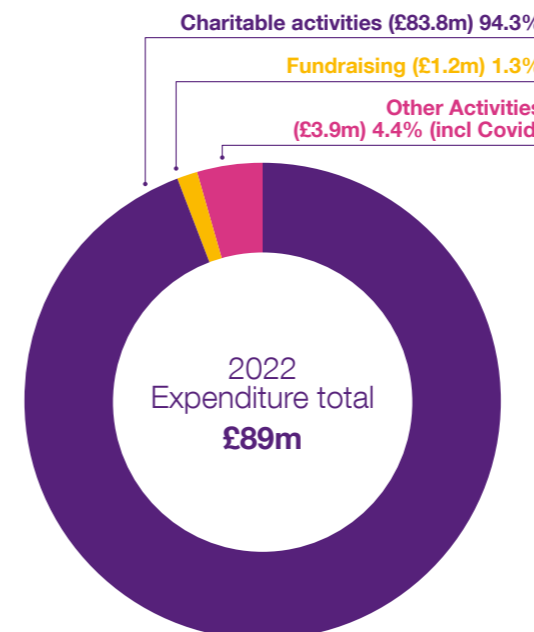
The asset disposals during the year (2021: £0.1m loss) included the sale of seven properties and generated a gain on disposal of £0.5m.



## Expenditure

Total expenditure in the year to 31 March 2022 of £88.9m (2021: £86.0m) is a £3.0m and 3.4% increase on 2021.

Care and Support services costs increased slightly in the year as services resumed following the delivery of fewer hours due to the pandemic. The effect of this was an increase in agency hours required increasing the agency cost burden by £4.4m driving higher people costs. Costs also increased as a result of a 2.2% uplift in NLW (£1.4m). Additionally, costs of £1.9m were incurred as a result of the Helix transformation project. Property costs rose by £0.5m due to significantly increased utility charges and enhanced maintenance requirements. Operationally, the costs of setting up and monitoring compliance with Covid regulations whilst being unable to recharge vehicle charges added £0.45m costs.



**The income and costs and surpluses of the core operational services are as follows:**

	2022 £'000	2021 £'000
Services income (note 3b)	82,752	81,186
Services direct costs (note 8)	(71,642)	(71,704)
Services surplus before support costs	11,110	9,482
Support costs (note 8b)	(9,117)	(9,462)
Services surplus after support costs	1,993	20

More services are being highlighted as financially unsustainable in the longer term with increased costs and lower rates of fees received, however the impact of the pandemic in reducing the hours of services delivery required through day services meant that those contracted staff were able to be redeployed to support all other services, and additionally the overhead cost in recruitment and training of colleagues reduced, both reflected in the reduction in direct costs.

A range of performance indicators are used to measure financial and operational activity and to highlight trends and potential risks. Throughout the year, the following key performance indicators are monitored and reported monthly, these are the annual comparisons:

	2022	2021
Fee Income per day (£k)	227	224
Occupancy rates (%)	92	93
Total Employment Costs (TEC) as % income	69	71
Agency costs as % Total Employment Costs	12	5
Operating Contribution as % Income	17	18
Overheads as % Income	16	13
Fundraising income v expenditure	2:1	2:1
Services rated good or above by CQC %	91	90

Fee income from local authorities increased slightly but remained largely flat year on year. There was a slight reduction in occupancy rates driven by the impact of the pandemic. Agency costs increased as a result of the pandemic, resulting in staff shielding and higher rates of sickness, part of a sector wide challenge. Fund raising had a successful year with income versus expenditure remaining at a similar level to the prior year. There was a 1% increase in services rated good or above by CQC.

**Trading activity**

The principal component of trading activities is the sale of seasonal cards and gifts which remains halted due to the pandemic. The total trading deficit in 2022 amounted to £6k (2021: £3k deficit). Hft recharges costs as incurred to this trading subsidiary.

**Charity projects**

The net expenditure on special projects in the year to 31 March 2022 of £3.0m is a £1.8m increase on the 2020/2021 net cost of £1.2m. The increase is driven by costs incurred on the Helix project of £1.1m (£0.1m 2021) and change team costs £0.5m (£0.1m 2021). Special projects also include the public benefit projects such as FCSS, Luv2meetU and the Personalised Technology project.

The Helix project, refers to a program to improve efficiencies within Hft through the upgrade of systems, better management of data and improvement to processes. The project, launched in 2021/2022, will be completed in 2022/2023 and will ensure that Hft is able to continue to grow and sustain the quality of the services it provides, into future years.

**Balance Sheet**

Reserves have increased by £696k as a result of the year's activities; the main changes in the balance sheet during the year are as follows:

Intangible assets increased by £0.5m to £1.3m a result of capitalised project costs.

Tangible fixed assets decreased by £1.2m to £56.6m which includes;

- Gain on sales of disposals of £0.5m
- Impairment charge of £0.3m relating to two properties, Oldends and Ormiston.

**Current Assets**

- Debtors increased by £1.5m. Fee debtors have increased due to the timing of invoices raised and should be viewed in conjunction with the income accrual, the net increase is £2.1m. An additional £0.7m was accrued for the business interruption claim, the income was received in April 2022. This was offset by a reduction in other debtors of £0.8m due to appointeeship accounts now being nil due to a change in policy and reduction in prepayments of £0.5m.

- Creditors decreased by £0.9m in the year driven by a reduction in accrued expenses £0.6m and trade creditors £0.3m.

- The closure of the pension scheme resulted in the release of £0.7m of provisions held in relation to this. The pension fund surplus recognised in the closed final salary pension scheme reduced to £10k (£680k 2021).
- Cash decreased by £2.4m due to higher project and agency spend.

**Reserves**

At 31 March 2022 the total funds of the charity were £74.0m of which £17.4m were restricted leaving a total of unrestricted funds of £56.6m.

As explained in the note to the financial statements the Trustees have designated £45.0m of funds for fixed assets and capital projects, the reduction of £0.8m reflects the disposal of land and buildings during the period. The Trustees will continue to manage the undesignated balance available for general charitable activity. The designated funds are made up of property assets held for the long term to provide care to the people we support.

The 2021/2022 general reserve policy maintains the level of general reserves sufficient to cover 6 weeks payroll £6.9m (2021: £6.3m). At the year-end the general reserve balance was £10.9m (2021: £9.2m) (see notes 21 & 22). The free reserves balance was £862k (2021: £85k). The general reserve policy was last reviewed in August 2022 and was approved to cover 3 months payroll commencing in 2022/2023 (£15.6m).

The level of general reserve, as stated above, is sufficient to cover payroll costs and provide working capital support for major projects.

**Investment powers, policy and objectives**

Investment powers are governed by the Articles of Association, which permit the funds to be invested in the manner shown in note 12 to the financial statements. The Trustees intend that the real value of Hft's investments be maintained and enhanced over the long term by investment in a portfolio comprising common investment funds, unit trusts and equities (quoted on a recognised international stock exchange). Hft employs professional investment managers to advise on and invest the portfolio in accordance with the investment policy and mandate which is given to them.

## Statement of Trustees' responsibilities

The Trustees (who are also directors of HF Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these 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;
- make judgments 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 charitable 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 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 auditor is 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 auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the

preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Going Concern

The Trustees have reviewed the group's and the charity's forecasts and projections covering a period exceeding 12 months from the date of signing of the financial statements.

In this period, the Trustees have agreed to the investment in to improving the efficiency of the organisation's systems and processes. It is acknowledged, that this will require additional cash, above and beyond business as usual trading. However, given the future benefits to be gained from this investment and based on the level of existing cash, measures being put in place to manage future cash needs and estimated levels of income and expenditure, the Trustees are satisfied that the group has adequate levels of reserves to continue in operation for the foreseeable future.

Accordingly, the going concern basis has been used in preparing these financial statements. The Trustees also consider there to be no material uncertainties in the operating environment.

### Statement on Disclosure of Information to the Auditor

So far as each Trustee is aware, there is no relevant audit information of which the company's auditor is unaware.

Each Trustee has taken all the steps (such as making enquiries of other Trustees and any other steps required by the Trustee's duty to exercise due care, skill and diligence) that he or she ought to have taken in his duty as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The Report of the Board and Incorporated Strategic Report were approved and signed on behalf of the Board of Trustees by:



**Amanda Bunce**

Chair

Date: 07/10/22

## Independent Auditors' report to the members of HF Trust Limited

### Opinion

We have audited the financial statements of HF Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements and notes to the financial statements, including 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 group's and the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including 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 have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

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

### Other information

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

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

## Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 58, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

## The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Care Act 2014. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and performing substantive test of details over income.

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

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

## Nicholas Sladden

(Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP,  
Statutory Auditor

Chartered Accountants

25 Farringdon Street, London, EC4A 4AB

Date: 7 October 2022



## Consolidated Statement of Financial Activities

For the year ended 31 March 2022

(Including Consolidated Income and Expenditure Account)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
<b>Income and endowments from:</b>					
Donations and legacies	3	1,867	414	<b>2,281</b>	1,877
Charitable activities	3	83,257	-	<b>83,257</b>	81,673
Investments		175	-	<b>175</b>	144
Other	7	4,022	-	<b>4,022</b>	1,291
<b>Total</b>		<b>89,321</b>	<b>414</b>	<b>89,735</b>	<b>84,985</b>
<b>Expenditure on:</b>					
Raising funds	8	1,165	-	<b>1,165</b>	1,200
Charitable activities	8	82,860	956	<b>83,816</b>	82,468
Other	8	3,898	-	<b>3,898</b>	2,338
<b>Total</b>	<b>8</b>	<b>87,923</b>	<b>956</b>	<b>88,879</b>	<b>86,006</b>
Net gains/(losses) on investments	12	245	-	<b>245</b>	943
<b>Net income/(expenditure)</b>	<b>9</b>	<b>1,643</b>	<b>(542)</b>	<b>1,101</b>	<b>(78)</b>
<b>Other recognised (losses):</b>					
Re-measurement of defined benefit pension scheme	24	(405)	-	<b>(405)</b>	(52)
<b>Net movement in funds</b>		<b>1,238</b>	<b>(542)</b>	<b>696</b>	<b>(130)</b>
Total funds brought forward	20	55,387	17,935	<b>73,322</b>	73,451
<b>Total funds carried forward</b>	<b>20</b>	<b>56,625</b>	<b>17,393</b>	<b>74,018</b>	<b>73,322</b>

## Balance Sheet as at 31 March 2022

	Notes	Group		Company	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Fixed assets</b>					
Intangible assets	11 (a)	1,288	809	1,288	809
Tangible assets	11 (b)	56,593	57,835	56,593	57,835
Investments	12	7,265	6,882	7,265	6,882
Total fixed assets		65,146	65,526	65,146	65,526
<b>Current assets</b>					
Stocks	13	5	5	-	-
Debtors: amounts falling due within one year	14	9,509	7,968	9,477	7,942
Cash at bank and in hand	15	6,817	9,141	6,779	9,097
Total current assets		16,331	17,114	16,256	17,039
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	16	7,198	8,100	7,173	8,071
<b>Net current assets</b>		9,133	9,014	9,083	8,968
<b>Total assets less current liabilities</b>		74,279	74,540	74,229	74,494
<b>Creditors</b>					
Amounts falling due after more than one year	16	250	250	250	250
Provisions for liabilities	17	11	680	11	680
Pension liability	24	-	288	-	288
<b>Net assets</b>		74,018	73,322	73,968	73,276
<b>The funds of the group/company</b>					
Restricted funds	20/23	17,393	17,935	17,393	17,935
General reserve	20	11,664	9,649	11,614	9,603
Designated funds	20/22	44,961	45,738	44,961	45,738
Unrestricted funds excluding pension liability	20	56,625	55,387	56,575	55,341
<b>Unrestricted funds</b>		56,625	55,387	56,575	55,341
<b>Total funds</b>	21/22	74,018	73,322	73,968	73,276

As permitted by s408 Companies Act 2006, the Charity has not presented its own Income and Expenditure and related notes. The Charity's surplus for the year was £692k (2021 - deficit £0.1m).

The financial statements on pages 63 to 94 were approved and authorised for issue by the Hft Limited Board of Trustees and signed on its behalf by:



**Amanda Bunce**  
Chair

Date: 07/10/22

## Cash Flow Statement

For the year ended 31 March 2022

	Notes	Group		Company	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Cash flows from operating activities:</b>					
Net cash provided by operating activities		(1,932)	3,518	(1,926)	3,491
<b>Cash flows from investing activities:</b>					
Proceeds from assets held for disposal		1,838	633	1,838	633
Purchase of property, plant and equipment		(1,325)	(414)	(1,325)	(414)
Purchase of intangible assets		(905)	(99)	(905)	(99)
Gift aid received from subsidiaries		-	-	-	22
Net cash used in investing activities		(392)	120	(392)	142
<b>Cash flows from financing activities:</b>					
Repayments of borrowing		-	(105)	-	(105)
Net cash used in financing activities		-	(105)	-	(105)
Change in cash and cash equivalents in the reporting period		(2,324)	3,533	(2,318)	3,530
Cash and cash equivalents at the beginning of the reporting period		9,141	5,608	9,097	5,567
Cash and cash equivalents at the end of the reporting period		6,817	9,141	6,779	9,097
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>					
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>		696	(126)	692	(132)
<b>Adjustments for:</b>					
Depreciation and amortisation charges	11	1,332	2,077	1,332	2,077
Investment management charges	12	40	37	40	37
(Gains) on investments	12	(245)	(941)	(245)	(941)
Returns on investment and servicing of finance		(178)	(144)	(178)	(144)
Profit on the sale of tangible fixed assets		(516)	138	(516)	138
Fixed asset impairment	11 (b)	327	1,792	327	1,792
(Increase) in debtors		(2,222)	(762)	(2,216)	(748)
(Decrease)/increase in creditors		(902)	1,399	(898)	1,364
(Decrease) in provisions		(669)	(3)	(669)	(3)
Non-actuarial decrease in liability	24	405	52	405	52
Net cash provided by operating activities		(1,932)	3,518	(1,926)	3,491
<b>Analysis of cash and cash equivalents</b>					
Cash at bank and in hand		6,817	9,141	6,779	9,097
<b>Total cash and cash equivalents</b>		6,817	9,141	6,779	9,097

# Notes to the Financial Statements

For the year ended 31 March 2022

## 1. Principal Accounting Policies

Hf Trust Limited is a private company limited by guarantee (registration number 734984) and registered charity regulated by the Charity Commission (registered number 313069) with a registered address at 5/6 Brook Office Park, Folly Brook Road, Emerson's Green, Bristol.

### Basis of preparation

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments to market value and on a going concern basis.

Hft meets the definition of a public benefit entity under FRS 102.

A summary of the more important group accounting policies, which have been applied consistently, is set out below.

### Going Concern

There are no material uncertainties about going concern. The Trustees have reviewed and approved the future plans and financial forecasts underpinning the going concern assumption. The core business model is operating at high levels of occupancy and with fee levels from purchasers in excess of the costs of service delivery and associated support costs, and this is expected to continue to be the case for the foreseeable future.

The Trustees have reviewed the group's and the charity's forecasts and projections covering a period until March 2024. In this period, the Trustees have agreed to investment into improving the efficiency of the organisation's systems and processes. It is acknowledged, that this will require additional cash, above and beyond business as usual trading. However, given the future benefits to be gained from this investment and based on the level of existing cash, measures being put in place to manage future cash needs and estimated levels of income and expenditure, the Trustees are satisfied that the group has adequate levels of reserves to continue in operation for the foreseeable future.

Trustees have considered any potential material uncertainties in the operating environment in the light of the Covid-19 pandemic and believe that mitigation for risk is in place.

### Basis of consolidation

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement include the financial statements of the company and its subsidiaries made up to 31 March 2022. Intra group transactions and profits are eliminated fully on consolidation.

The results of the subsidiary undertakings are shown in the consolidated statement of financial activities within income and expenditure. The assets and liabilities of the subsidiary undertakings are combined with those of the company in the consolidated balance sheet and consolidated cash flow statement on a line by line basis. A separate statement of financial activities for the company is not presented as permitted by section 408 of the Companies Act 2006.

### Income

Income from all sources is included in the statement of financial activities at its fair value on a receivable basis, subject to the following specific criteria:

- Donations are recognised as soon as there is evidence of entitlement, subject to any conditions attached it is probable that the income will be received and the amount can be measured reliably.
- Legacies are recognised on receipt of income or on formal notification of entitlement to the income within a short timeframe where the income is reliably measurable.
- No amounts are included in the financial statements in respect of services donated by volunteers.

### Income from charitable activities

Fees receivable and charges for services and projects are accounted for in the period in which the service is provided or the project undertaken.

### Other income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item (s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

### Grant income

Grant income is recognised when recognition criteria are fulfilled, and deferred into future periods if it is a multi-period grant.

### Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. All irrecoverable VAT on costs is charged as a cost against the activity for which the expenditure was incurred.

### Expenditure on raising funds

Expenditure incurred on raising funds does not include the costs of promoting or marketing the charity and is apportioned to individual restricted funds on the basis of funds raised during the year.

### Expenditure on charitable activities

Service costs comprise the direct and indirect costs, including colleagues, attributable to the delivery of front-line care services for service users.

### Apportionment of support costs

Support costs are apportioned to activities, based on the relative income of the activities.

### General reserve

The general reserve comprises the working capital operating reserve of the group.

### Designated funds

The designated capital project fund comprises unrestricted funds that have been set aside by the Board of Trustees to be expended on specific current capital development commitments. The aim and use of each designated fund are set out in the notes to the financial statements.

The designated fixed asset fund represents the aggregate net book value of tangible fixed assets acquired or constructed partly or fully from unrestricted funds, less associated mortgage liabilities.

### Restricted funds

The restricted project fund comprises funds, which are to be used in accordance with specific restrictions imposed by donors, or which have been raised by the charity for particular purposes. The cost of raising such funds is charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

The restricted fixed asset fund represents the aggregate net book value of tangible fixed assets acquired or constructed partly or fully from restricted funds.

### Intangible fixed assets

Intangible fixed assets represent the cost of purchasing, configuring and bringing to operational readiness significant computer software applications, which have an anticipated life of between 5 to 10 years. These assets are amortised on a straight-line basis over their estimated lives, once they are fully operational.

## Tangible fixed assets

All tangible fixed assets are included in the financial statements on initial recognition at cost. Individual assets with a cost below £2,500 (£500 for laptops / desktops) are not capitalised unless they form part of a series of purchases in respect of the fitting out of a new service or project. Irrecoverable VAT incurred on the purchase of fixed assets is included in the capitalised cost.

## Impairment

Hft is required to conduct annual impairment reviews of its housing properties. Other assets are also reviewed for impairment if there is an indication that impairment may have occurred. In general, where the calculated value in use is lower than book value, an impairment adjustment is made.

In respect of impairment reviewed, Hft is required to make critical judgements and assessments against each housing property that is reviewed. The recoverable amount of each housing property is based on value in use, which requires estimates to be made in respect of the allocation of the property value to each cash generating unit and of the future economic benefit to be derived from the underlying asset. The value in use calculation at 31st March 2022 used a discount rate of 5%, with economic operating units, which was applied to cash flows extending over a 20-year period as a conservative estimate of the useful lives of properties. The impairment charge made in the year was £0.3m (2021 £1.8m).

## Depreciation

The depreciation being applied to freehold buildings was reviewed during the year and a range of rates was extended to cover different categories of buildings based on their expected useful lives and residual values. Accordingly, buildings which are substantially residential properties in good order and with residual values that exceed historical cost no longer have a requirement to be depreciated.

Depreciation is calculated to write off the cost of buildings, plant and equipment over their expected useful lives at the following rates, on a straight-line basis:

	2022	2021
Assets due for disposal	Nil	Nil
Freehold land	Nil	Nil
Freehold buildings and additions	0-5% pa on cost	0-5% pa on cost
Cyclical refurbishment of buildings	15% pa on cost	15% pa on cost
Equipment	8-15% pa on cost	8-15% pa on cost
Computers	33 $\frac{1}{3}$ % pa on cost	33 $\frac{1}{3}$ % pa on cost
Motor vehicles	25% pa on cost	25% pa on cost

Assets in the course of construction are not depreciated until complete.

## Operating leases

Income and costs in respect of operating leases are respectively credited and charged to the Statement of Financial Activities on a straight-line basis over the lease term.

## Provisions

- **Dilapidation** - Provisions for dilapidations are recognised on a lease by lease basis and are based on the best estimate of the likely committed expenditure.
- **Onerous leases** - Hft provides for all future lease costs where there is no reasonable expectation of future operating income relating to the leased asset.

## Stocks

Stocks are stated at the lower of cost and net realisable value.

## Taxation

No provision for Corporation Tax has been made in these financial statements as the company, a registered charity, is entitled to certain exemptions on its charitable activities. Taxation recoverable represents amounts deducted at source in respect of gift aid donations from individuals.

## Investments

Listed investments are recognised at cost and valued at fair value based on bid price at the balance sheet date. Realised and unrealised gains or losses on revaluation or disposal are combined in the Consolidated Statement of Financial Activities. Income from these investments is recognised in the year in which it arises.

## Pension scheme arrangements

During the year, the group operated eleven pension schemes (see note 24). Contributions to the Charity's pension schemes are charged to the Statement of Financial Activities in the year in which they become payable.

- a defined benefit pension scheme (The Hft Retirement Benefits Scheme or "RBS"). The RBS is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being agreed by the actuary. In the intervening years the actuary reviews the continuing appropriateness of these rates. The RBS ceased accepting new members from 25 January 1996 and on 26 October 2005 the company ceased contributions to this scheme in respect of future accruals. Consequently, there are now no active members of this scheme. During the Scheme year ended 31 March 2020 the RBS Trustees took the decision to consider winding up the Scheme. This progressed and on the 10 March 2020 the investment assets were disinvested and the proceeds transferred to a buy-in insurance policy. The Hft RBS Trustees commenced winding up the RBS in February 2022 and are aiming to complete the winding up of the RBS by the end of 2022.
- the HF Trust Limited group personal pension plan provided by Aegon was moved into Aegon Retirement Choices (ARC) in 2019 with members having their own self-invested personal pension plan (SIPP) with ARC. The pension is open to certain categories of Hft employees.
- contributions have been made into either the National Health Service Pension Fund or the West Yorkshire Pension Fund (part of the Local Government Pension Scheme), in respect of colleagues who transferred to Hft under the Bradford day services contract.
- contributions have been made into the Oxford County Council Pension Fund (part of the Local Government Pension Scheme); in respect of colleagues who transferred to Hft under the Oxford Vale contract.
- from April 2013, contributions have been made into the Care Fund Limited group personal pension plan, in respect of colleagues joining Hft on the acquisition of the Care Fund group; with effect from the date of commencement of automatic enrolment in to The Peoples Pension Scheme (see below), the Group Personal Pension Plan closed to new members.
- from April 2013, contributions have been made into a Scottish Equitable personal pension plan, in respect of colleagues joining Hft on the acquisition of the Care Fund group. This pension plan is closed to new members.
- from April 2013, contributions have been made into a Friends Provident personal pension plan, in respect of colleagues joining Hft on the acquisition of the Care Fund group. This pension plan had one member who left in the year and the scheme is now closed.
- following the commencement of automatic enrolment, from November 2013 contributions have been made into The Peoples Pension Scheme. This is the only pension scheme offered to new members of staff.
- from April 2013, contributions have been made into a Standard Life personal pension plan, in respect of colleagues joining Hft on the acquisition of the Care Fund group. This pension plan is closed to new members.
- from April 2016, contributions have been made into a Nest pension plan, in respect of colleagues joining Hft on the acquisition of The Edward Lloyd Trust. This pension plan is closed to new members.
- from April 2016, contributions have been made into a Legal & General pension plan, in respect of colleagues joining Hft on the acquisition of The Edward Lloyd Trust. This pension plan is closed to new members.
- from February 2019, contributions have been made into the Clwyd pension scheme in respect of colleagues joining Hft on the acquisition of Flintshire day services contract.

### Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in this note, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Depreciation and the remaining useful life of fixed assets:

The remaining useful life and expected residual values of the group's freehold buildings is a key area of estimation.

Provisions for dilapidations and leases are in relation to liabilities existing in respect of land and buildings held under operating leases. They are held at a value of the expected remaining charge on the lease and costs in association with bringing the relevant property into an acceptable state as agreed by both parties.

Asset impairments have the potential to significantly impact the financial results. In order to determine whether impairments are required the Charity estimates the recoverable amount of the asset.

This calculation is based on projecting future cash flows over a twenty-year period and using a terminal value to incorporate expectations of growth thereafter. The terminal value has been estimated using a discount factor is applied to obtain a current value ('value in use') and the result is compared to the net book value held, the deficit in value has been charged as an impairment against the assets.

Estimated future cash flows for impairment calculations are based on a rental fee limited to a rental fee of 5% of historic cost, being the net retained cash flow from rental invoices and the costs to deliver the building.

Future cash flows are discounted using a discount rate (5%) based on the cost of capital, and is impacted by estimates of interest rates, equity returns and market and country-related risks.

If the cash flow or discount rate assumptions were to change because of market conditions, the level of impairment could be different and could result in the impairment of property, plant and equipment being increased or reversed, in part or in full, at a future date.

## 2. Prior Year Consolidated Statement of Financial Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000
<b>Income and endowments from:</b>			
Donations and legacies	817	1,060	<b>1,877</b>
Charitable activities	81,673	-	<b>81,673</b>
Investments	144	-	<b>144</b>
Other	1,291	-	<b>1,291</b>
<b>Total</b>	<b>83,925</b>	<b>1,060</b>	<b>84,985</b>
<b>Expenditure on:</b>			
Raising funds	1,200	-	<b>1,200</b>
Charitable activities	81,027	1,437	<b>82,464</b>
Other	2,338	-	<b>2,338</b>
<b>Total</b>	<b>84,565</b>	<b>1,437</b>	<b>86,002</b>
Net gains/(losses) on investments	943	-	<b>943</b>
<b>Net income/(expenditure)</b>	<b>303</b>	<b>(377)</b>	<b>(74)</b>
Tax payable	(4)	-	<b>(4)</b>
Other recognised gains/(losses):			
Re-measurement of defined benefit pension scheme	(52)	-	<b>(52)</b>
Net movement in funds	247	(377)	<b>(130)</b>
Total funds brought forward	55,139	18,312	<b>73,451</b>
Total funds carried forward	55,387	17,935	<b>73,322</b>

## 3. Income and Endowments

### (a) Donations and legacies

Group and Company	2022 £'000	2021 £'000
Strategic Partnerships	<b>433</b>	790
Regional & community	<b>104</b>	302
Donor marketing	<b>259</b>	226
<b>Donations</b>	<b>796</b>	1,318
Legacies	<b>1,485</b>	559
<b>Total donations and legacies</b>	<b>2,281</b>	1,877

Included within donations is £47k of Gift Aid reclaimed (2021: £68k). Income from Friends Groups of £9k (2021: £19k) is included in donations and includes amounts held by groups.

The expenditure incurred by the Friends Groups has remained minimal during the year and continues to not be material in results based on management estimates. It has not proved practical to obtain expenditure records from individual Friends Groups; however, the Board does not consider that the effect is material and it has no effect on the net incoming resources for the year (2021: no effect).

### (b) Income from Charitable Activities

Group and Company	2022 £'000	2021 £'000
Service income	<b>82,752</b>	81,186
Special projects	<b>441</b>	396
Community Interest Company income	<b>64</b>	91
<b>Total</b>	<b>83,257</b>	81,673

## 4. Hft Trading Limited

Hft has a wholly owned trading subsidiary, which is incorporated in England and Wales, with a registered office at 5/6 Brook Office Park, Folly Brook Road, Emersons Green, Bristol. Hft Trading Limited (company registration 02764761) undertakes non-primary purpose trading activities, namely the retail sale of Hft branded cards and gifts. The distributable net profit is distributed to Hft. A summary of the trading results of the subsidiary are shown below.

	2022 £'000	2021 £'000
Turnover	-	-
Cost of sales	-	-
Gross profit	-	-
Administration	<b>(6)</b>	(3)
Loss before Gift Aid payment	<b>(6)</b>	(3)
Retained profit brought forward	-	25
Gift Aid payment to the company	-	(22)
Retained in subsidiary	<b>(6)</b>	-
Analysis of net assets/liabilities:		
Current assets	<b>22</b>	22
Current liabilities	<b>(28)</b>	(22)
Net liabilities	<b>(6)</b>	-

## 5. Hft Property Limited

Hft has a wholly owned property subsidiary, which is incorporated in the England and Wales, with a registered office at 5/6 Brook Office Park, Folly Brook Road, Emersons Green, Bristol. Hft Property Limited (company registration 03216502) develops property to provide residential accommodation for people with learning disabilities. There has been no trade in the current or previous year. A summary of the net assets is shown below.

	2022 £'000	2021 £'000
Operating expenditure	(2)	-
Loss	(2)	-
Current assets	4	4
Current liabilities	(6)	(4)
Net liabilities	(2)	-

## 6. LUV2MeetU Community Interest Company

Hft is the sole member of a company limited by guarantee. Luv2meetU Community Interest Company and Wales, with a registered office at 5/6 Brook Office Park, Folly Brook Road, Emersons Green, Bristol and the operating office address at Euroway House, Roydsdale Way, Bradford, BD4 6SE. A summary of the trading results is shown below.

	2022 £'000	2021 £'000
Turnover	64	91
Operating expenditure	(68)	(80)
Net (loss)/income	(4)	11
Retained profit brought forward	17	10
Tax charge	-	(4)
Retained in subsidiary	13	17
Current assets	15	23
Current liabilities	(2)	(6)
Net assets	13	17

## 7. Other Income

Other income comprises:

	2022 £'000	2021 £'000
Exceptional (CV19 and business interruption claim)	3,506	1,429
Gains/(Losses) on disposal of tangible fixed assets	516	(138)
Total other income	4,022	1,291

Exceptional income includes income received from local authorities resulting from the pandemic for infection control and work force retention. A £0.8m business interruption insurance claim was also received in relation to the pandemic.

## 8. Expenditure

### a) Analysis of expenditure

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	Total 2022 £'000	Total 2021 £'000
Raising funds	662	250	253	1,165	1,200
<b>Charitable activities:</b>					
Service costs	59,788	11,854	9,117	80,759	81,165
Special projects	834	2,156	-	2,990	1,216
Community Interest company costs	67	-	-	67	80
Subsidiary	-	-	-	-	3
	60,689	14,010	9,117	83,816	82,464
<b>Other:</b>					
Marketing and publicity costs	245	199	-	444	450
Subsidiary activities costs	-	-	-	-	3
Investment management fees	-	40	-	40	37
Exceptional (including CV19)	1,954	973	-	2,927	1,636
Governance	-	-	487	487	212
	2,199	1,212	487	3,898	2,338
<b>Total expenditure</b>	63,550	15,472	9,857	88,879	86,002

Special project costs relate to projects funded from charitable sources and the purchase of specific items of equipment for services. All activities are carried out directly by the company.

Exceptional costs include all expenditure related to maintaining the organisation throughout the pandemic, including PPE (Personal Protective Equipment), training, computer equipment for colleagues and clients, temporary infrastructure improvements to enable access and visits and exceptional colleague costs.

### b) Analysis of support costs

	Raising funds £'000	Service costs £'000	Total 2022 £'000	Total 2021 £'000
Operations	39	1,396	1,435	1,423
Human Resources	75	2,713	2,788	2,332
Finance and Company Secretary	35	1,270	1,305	1,662
Estates	41	1,491	1,532	1,483
Information Technology	57	2,046	2,103	2,599
Governance	-	487	487	212
Corporate Management	6	201	207	184
<b>Total support costs</b>	253	9,604	9,857	9,895

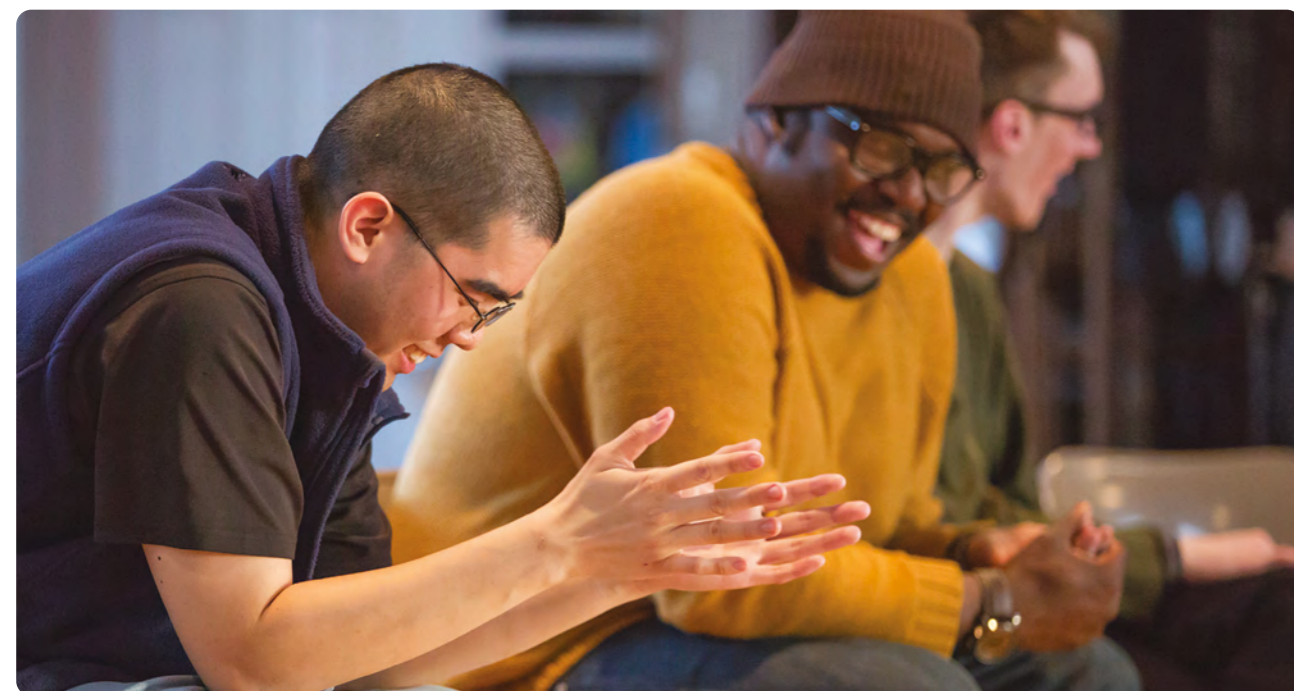
### c) Analysis of professional and Trustee costs

	2022 £'000	2021 £'000
Internal assurance	33	43
External audit, tax advice and assurance	59	59
Legal, professional & consultancy fees	153	33
Trustee expenses and meeting costs	2	4
Trustee liability and other insurance costs	12	12
<b>Total professional and Trustee costs</b>	<b>259</b>	151

### 9. Net Income / (Expenditure)

Net income/(expenditure) is stated after charging:

	2022 £'000	2021 £'000
<b>Operating lease charges:</b>		
Land & buildings	1,095	1,259
Motor vehicles	582	644
Auditor's remuneration (company £47k; 2021: £46k)	52	46
Auditor's remuneration – tax advice, assurance reports	7	13
Impairment of fixed assets	327	1,792
Depreciation	906	1,526
Amortisation	426	551
(Profit)/loss on the sale of fixed assets	(516)	138



### 10. Employees

The average number of persons employed by the group & parent charity during the year and their salary and wages costs were:

	Number	2022 £'000	Number	2021 £'000
<b>Salaries:</b>				
Fundraising	14	586	23	724
Services & Projects	2,722	48,026	2,909	48,422
Special Projects	41	834	44	797
Support & Governance	241	6,575	177	6,021
	<b>3,018</b>	<b>56,021</b>	3,153	55,964
<b>Other staff costs:</b>				
National Insurance costs		4,446		4,335
Pension costs		1,862		1,517
		<b>62,329</b>		61,816

The total emoluments of employees earning more than £60k (including benefits in kind, but excluding employer's pension contributions) fall within the following bandings:

	2022 No.	2021 No.
£60,001 - £70,000	9	7
£70,001 - £80,000	4	1
£90,001 - £100,000	2	2
£100,001 - £110,000	4	-
£110,001 - £120,000	-	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-

For those colleagues whose emoluments exceed £60k per annum, pension contributions amounting to £14k (2021: £31k) were paid for the provision of money purchase benefits. All of these staff benefits accruing under the Group Personal Pension Plan and, in addition, twelve have accrued benefits of £68k under the defined benefit pension scheme (since the closure of the scheme).

Included within the employment costs are redundancy and termination payments totalling £412k (2021: £312k). These payments are recognised as soon as the liability to the charity crystallises under the terms of the agreement with the employee.

Key management personnel are deemed to be the Trustees together with the Executive Management team. The total emoluments of the Executive Management team were as follows:

Group and parent	2022 £'000	2021 £'000
Emoluments	855	358
Employers national insurance contributions	109	43
Employers pension fund contributions	39	12
	<b>1,003</b>	413

No member of the Executive management team received any other remuneration such as long-term incentive schemes, shares or compensation for loss of office. No member of the Executive Management team waived any emoluments.

The Trustees received no emoluments during the year (2021: £nil). The aggregate amount of expenses incurred by Trustees during the year amounted to £nil (2021: £nil) due to remote meetings during the pandemic.

## 11. (a) Intangible Fixed Assets

Group and company		Computer software
<b>Cost:</b>	At 1 April 2021	<b>2,394</b>
	Additions	<b>905</b>
	At 31 March 2022	<b>3,299</b>
<b>Amortisation:</b>	At 1 April 2021	<b>1,585</b>
	Charge for the year	<b>426</b>
	At 31 March 2022	<b>2,011</b>
<b>Net book value:</b>	At 31 March 2022	<b>1,288</b>
	At 31 March 2021	<b>809</b>

Included within the computer software is £0.8m (2021: nil) of assets in the course of construction.

## 11. (b) Tangible Fixed Assets

Group & Company		Freehold land & buildings	Plant and equipment	Motor vehicles	Total £'000
		£'000	£'000	£'000	
<b>Cost:</b>	At 1 April 2021	77,089	1,036	729	<b>78,855</b>
	Additions	1,218	107	-	<b>1,324</b>
	Disposals	(2,604)	(3)	-	<b>(2,607)</b>
	At 31 March 2022	75,703	1,140	729	<b>77,572</b>
<b>Depreciation:</b>	At 1 April 2021	19,385	905	729	<b>21,019</b>
	Charge for the year	873	33	-	<b>906</b>
	Impairment loss	327	-	-	<b>327</b>
	Disposals	(1,271)	(3)	-	<b>(1,274)</b>
	At 31 March 2022	19,314	935	729	<b>20,978</b>
<b>Net book value: At 31 March 2022</b>		<b>56,389</b>	<b>204</b>	<b>-</b>	<b>56,593</b>
	At 31 March 2021	57,704	131	-	<b>57,835</b>

In the opinion of the Trustees there is no material difference between the carrying value of the land and buildings above, and the market value.

Impairment charges are shown as a cost to Charitable Activities in the SOFA.

## 12. Fixed Asset Investments

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Market value:				
At 1 April 2021	<b>6,882</b>	5,834	<b>6,882</b>	5,834
Income reinvestment	<b>178</b>	144	<b>178</b>	144
Net gain/(loss) on investment assets	<b>245</b>	941	<b>245</b>	941
Investment management charges	<b>(40)</b>	(37)	<b>(40)</b>	(37)
At 31 March 2022	<b>7,265</b>	6,882	<b>7,265</b>	6,882

Investments are represented by:

	Cost	Market Value		Gross income	
	2022 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Investments listed in the UK:					
Common investment funds	<b>60</b>	<b>58</b>	63	-	-
Fixed Interest	<b>1,207</b>	<b>1,212</b>	1,424	<b>42</b>	36
Equity shares	<b>1,278</b>	<b>1,777</b>	1,749	<b>55</b>	55
Property and other funds	<b>1,359</b>	<b>1,622</b>	1,290	<b>49</b>	43
Cash	<b>556</b>	<b>556</b>	201	-	-
	<b>4,460</b>	<b>5,225</b>	4,727	<b>146</b>	134
Investments listed outside the UK:					
Equity shares	<b>1,485</b>	<b>2,040</b>	2,155	<b>29</b>	26
Company & Group	<b>5,945</b>	<b>7,265</b>	6,882	<b>175</b>	160

There are no particular investments which are considered to be individually material in the context of the overall investment portfolio, in either year. Hft owns the whole of the issued share capital of Hft Trading Limited: 100 ordinary shares of £1 each issued at par. Hft Trading Limited is registered in England and Wales.

Hft owns the whole of the issued share capital of Hft Property Limited: two ordinary shares of £1 each issued at par registered in England and Wales. In addition, as the sole member of a company limited by guarantee, Hft wholly controls Luv2meetU Community Interest Company. Luv2meetU Community Interest Company is incorporated as a Community Interest Company and registered in England and Wales.



### 13. Stocks

Stocks of £5k (2021: £5k) comprise bought in items for Hft Trading Limited.

### 14. Debtors

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Due within one year:</b>				
Loan due from Hft Trading Limited	-	-	10	10
Other amounts due from subsidiary				
-Hft Property Limited	-	-	1	-
-Hft Trading Limited	-	-	9	-
Loan due from Dimensions (UK) Ltd	42	42	42	42
Fees and grants	4,988	4,379	4,936	4,339
Other debtors	-	789	-	793
Prepayments	701	1,240	701	1,240
Accrued income	3,778	1,518	3,778	1,518
	<b>9,509</b>	7,968	<b>9,477</b>	7,942

The loan due from Hft Trading Limited is unsecured and renewable annually. Interest is charged at the base lending rate of Lloyds Bank plc.

The loan due from Dimensions (UK) Limited represented an advance for the purchase of a property and was secured against this property. The loan was repayable only on the sale of the property, together with specified proportions of the excess of the sale proceeds over the advance. The loan carries no interest.

### 15. Cash at the bank and in hand

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Cash and bank balances	6,817	9,141	6,779	9,097
	<b>6,817</b>	9,141	<b>6,779</b>	9,097

## 16. Creditors

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Due within one year:</b>				
Other amounts due from subsidiary -Hft Property Limited	-	-	-	3
Interest free loans (see note 18)	148	158	148	158
Trade creditors	2,021	2,343	2,002	2,315
Taxation and social security payable	1,240	1,086	1,240	1,082
Other creditors	7	117	3	117
Accruals	3,356	3,961	3,354	3,961
Deferred income	426	435	426	435
	<b>7,198</b>	<b>8,100</b>	<b>7,173</b>	<b>8,071</b>
<b>Due after more than one year:</b>				
Mortgage loans (see note 19)	250	250	250	250
	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Mortgage loans – repayable after more than one year:</b>				
In more than five years	250	250	250	250
	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>

	Group £'000	Company £'000
<b>Deferred income reconciliation</b>		
At 1 April 2021	435	435
Released during year	(435)	(435)
Provided during year	426	426
<b>At 31 March 2022</b>	<b>426</b>	<b>426</b>

Deferred income comprises income received in respect of fees relating to services provided after 31 March 2022.

## 17. Provisions for Liabilities

Group & Company - Movement during the year	At 1 April 2021 £'000	Additions £'000	Releases £'000	At 31 March 2022 £'000
Repairs provision	1	-	-	1
RBS Buyout Provision	679	-	669	10
	680	-	669	11

The RBS Buyout provision of £10k (2021: £679k) for professional fees and capital cost in relation to the buyout of the RBS pension scheme has been finalised in 2022. See note 24 (a).

## 18. Interest Free Loans

The interest free loans are repayable on demand. At 31 March 2022, the interest free loans were wholly covered by cash and investments.

## 19. Mortgage

Mortgage loans	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Cornwall County Council	250	250	250	250
	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>

(a) The mortgage loan of £250k is an interest free loan secured by a first charge on the freehold property of the Cornwall Day Centre which is held in the books with a net book value of £465k. The loan will become repayable if Hft should terminate the agreement, dated January 1992, with Cornwall County Council for the provision by Hft of accommodation and services for individuals with learning disabilities. In addition, the loan will become repayable if Hft should sell, lease or cease to use the day centre for individuals with learning disabilities.



## 20. Statement of Funds

	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Unrestricted Funds £'000	Total Funds £'000
<b>Company At 1 April 2021:</b>	17,935	9,603	45,738	<b>55,341</b>	<b>73,276</b>
Income	414	89,250	-	<b>89,250</b>	<b>89,664</b>
Expenditure	(956)	(87,079)	(777)	<b>(87,996)</b>	<b>(89,952)</b>
Other recognised gains/(losses)	-	(160)	-	<b>(160)</b>	<b>(160)</b>
<b>At 31 March 2022</b>	<b>17,393</b>	<b>11,614</b>	<b>44,961</b>	<b>56,575</b>	<b>73,968</b>
<b>At 1 April 2020</b>	18,312	6,745	48,345	<b>55,091</b>	<b>73,402</b>
Income	1,060	83,836	-	<b>83,836</b>	<b>84,896</b>
Expenditure	(1,437)	(81,870)	(2,608)	<b>(84,477)</b>	<b>(85,914)</b>
Other recognised gains/(losses)	-	891	-	<b>891</b>	<b>891</b>
<b>At 31 March 2021</b>	<b>17,935</b>	<b>9,603</b>	<b>45,738</b>	<b>55,341</b>	<b>73,276</b>
<b>Group At 1 April 2021:</b>	17,935	9,649	45,738	<b>55,387</b>	<b>73,322</b>
Income	414	89,321	-	<b>89,321</b>	<b>89,735</b>
Expenditure	(956)	(87,146)	(777)	<b>(88,063)</b>	<b>(89,019)</b>
Other recognised gains/(losses)	-	(160)	-	<b>(160)</b>	<b>(160)</b>
<b>At 31 March 2022</b>	<b>17,393</b>	<b>11,664</b>	<b>44,961</b>	<b>56,625</b>	<b>74,018</b>
<b>At 1 April 2020</b>	18,312	6,794	48,345	<b>55,139</b>	<b>73,451</b>
Income	1,060	83,927	-	<b>83,927</b>	<b>84,987</b>
Expenditure	(1,437)	(81,961)	(2,608)	<b>(84,569)</b>	<b>(86,006)</b>
Other recognised gains/(losses)	-	891	-	<b>891</b>	<b>891</b>
<b>At 31 March 2021</b>	<b>17,935</b>	<b>9,649</b>	<b>45,738</b>	<b>55,387</b>	<b>73,322</b>

**Restricted funds** - Comprises the project fund and the fixed asset fund (see note 23).

**Unrestricted funds** - The general reserve represents the working capital operating reserve of the group. The designated fund comprises the capital project fund and the fixed asset fund (see note 22).

**Transfers** - The fixed asset transfers reflect the net funds expended on tangible fixed assets during the year. Land and buildings acquired from restricted funds are held in the restricted fixed asset fund. The designated funds are made up of property assets held for the long term to provide care to the people we support.

## 21. Analysis of Group Net Assets Between Funds

Representation of fund balances	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
<b>Group</b>					
Tangible & intangible assets	11,382	1,288	45,211	<b>57,881</b>	58,644
Fixed asset investments	-	7,265	-	<b>7,265</b>	6,882
Cash and bank balances	6,011	806	-	<b>6,817</b>	9,141
Other current assets	-	9,514	-	<b>9,514</b>	7,973
Current liabilities	-	(7,198)	-	<b>(7,198)</b>	(8,100)
Long-term liabilities	-	-	(250)	<b>(250)</b>	(538)
Provision for liabilities and charges	-	(11)	-	<b>(11)</b>	(680)
Net assets	17,393	11,664	44,961	<b>74,018</b>	73,322
<b>Company</b>					
Tangible & intangible assets	11,382	1,288	45,211	<b>57,881</b>	58,644
Fixed asset investments	-	7,265	-	<b>7,265</b>	6,882
Cash and bank balances	6,011	768	-	<b>6,779</b>	9,097
Other current assets	-	9,477	-	<b>9,477</b>	7,942
Current liabilities	-	(7,173)	-	<b>(7,173)</b>	(8,071)
Long-term liabilities	-	-	(250)	<b>(250)</b>	(538)
Provision for liabilities and charges	-	(11)	-	<b>(11)</b>	(680)
Net assets	17,393	11,614	44,961	<b>73,968</b>	73,276
<b>Prior year Representation of fund balances</b>					
<b>Group</b>					
Tangible & intangible assets	11,847	808	45,988	<b>58,644</b>	62,394
Fixed asset investments	-	6,882	-	<b>6,882</b>	5,834
Cash and bank balances	6,088	3,053	-	<b>9,141</b>	5,608
Other current assets	-	7,973	-	<b>7,973</b>	7,212
Current liabilities	-	(8,100)	-	<b>(8,100)</b>	(6,599)
Long-term liabilities	-	(288)	(250)	<b>(538)</b>	(315)
Provision for liabilities and charges	-	(680)	-	<b>(680)</b>	(683)
Net assets	17,935	9,649	45,738	<b>73,322</b>	73,451
<b>Company</b>					
Tangible & intangible assets	11,847	809	45,988	<b>58,644</b>	62,394
Fixed asset investments	-	6,882	-	<b>6,882</b>	5,834
Cash and bank balances	6,088	3,009	-	<b>9,097</b>	5,568
Other current assets	-	7,942	-	<b>7,942</b>	7,205
Current liabilities	-	(8,071)	-	<b>(8,071)</b>	(6,601)
Long-term liabilities	-	(288)	(250)	<b>(538)</b>	(315)
Provision for liabilities and charges	-	(680)	-	<b>(680)</b>	(683)
Net assets	17,935	9,605	45,738	<b>73,276</b>	73,402

## 22. Designated Funds - Group

Designated funds comprise the following individual funds:

	At 1 April 2021 £'000	Expenditure £'000	Fixed asset transfers £'000	Fund transfers £'000	At 31 March 2022 £'000
Designated fixed asset fund	45,738	(777)	-	-	44,961

The fixed asset fund represents the net book value of all unrestricted tangible fixed assets, less associated mortgage liabilities.



## 23. Restricted Funds - Group and Company

	At 1 April 2021 £'000	Income £'000	Transfer £'000	Expenditure £'000	At 31 March 2022 £'000
<b>General service restrictions:</b>					
Gloucestershire	125	12	-	(15)	122
Sheffield	22	1	(5)	-	18
The Wirral	28	9	(14)	(6)	17
Kent South	44	12	27	(4)	79
South Oxfordshire	13	2	9	-	24
Herts & Essex	68	14	38	(30)	90
Devon	275	4	-	(5)	274
Leeds	36	-	-	(2)	34
Bedfordshire	40	32	-	(14)	58
Arden Vale	31	6	-	(14)	23
Cornwall	86	16	17	(14)	105
Kingston-upon-Thames	35	5	9	(9)	40
North Oxfordshire	34	-	6	(6)	34
Bristol	4	8	6	(9)	9
Bradford	81	10	(10)	(1)	80
Kent North	80	42	(81)	(9)	32
Sussex	262	85	34	(82)	299
Shropshire	28	11	-	(8)	31
Leicestershire	24	8	(6)	(6)	20
London	22	21	10	(13)	40
Wiltshire	20	1	(21)	-	-
Lancashire	3	2	16	(2)	19
Newcastle	6	3	(1)	(3)	5
Flintshire	48	35	14	(12)	85
Other project grants: L2MU, PT	542	75	181	(227)	571
Newcastle Edward Lloyd Trust	877	-	-	-	877
<b>Other restrictions:</b>					
Edenbridge legacy	645	-	-	-	645
Extra Special Trust	774	-	4	-	778
Tiverton Drop-In Centre	57	-	-	-	57
Design for Life - East Midlands	408	-	-	-	408
Design for Life - Lancashire	53	-	(3)	-	50
West Sussex - Community Fund	137	-	-	-	137
General Regional Funds	682	-	(230)	-	452
Others Grants & Donations	498	-	-	-	498
Restricted project fund	6,088	414	-	(491)	6,011
Restricted fixed asset fund	11,847	-	-	(465)	11,382
<b>Total restricted funds</b>	<b>17,935</b>	<b>414</b>	<b>-</b>	<b>(956)</b>	<b>17,393</b>

During the year a review of restricted funds was undertaken which resulted in enhanced clarity over historic misallocation of expenditure between regionally held funds. Costs which had been incurred for specific projects had been misallocated leaving specifically restricted funds as available whilst general restricted funds were depleted. In undertaking this exercise costs have now been allocated to the correct funds with no net impact on overall restricted funds but less specific restrictions on regional pots.

**General Service restrictions** - Funds donated specifically for services which comprises of donations to be spent locally on people we support and larger donations to be spent on building works.

**Edenbridge Legacy** - A specific donation of £1m from Mrs Potts for general use benefitting the people we support in Kent North – funds have been used to develop the hostel on site.

**Extra Special Trust** - donated £774k for the income to be used to provide people we support with exceptional items to enhance their lives.

**Tiverton Drop-in Centre** - In 2009 Sea Mead Charitable Trust donated £408k to support development of the Tiverton Drop-in Centre and to support an individual in his woodwork craft.

**Design for Life - East Midlands:** For the building and furnishing of 8 apartments in Kibworth Leicestershire.

**Design for Life - Lancashire:** A long term appeal headed primarily by Andrew Collinge and Joan McClarnon to refurbish buildings at Stanley Grange, Preston. The majority of these funds were transferred with the sale of Stanley Grange in the year ending 31st March 2016.

**West Sussex - Community Fund:** Since 2011 the Gerald Micklem Charitable Trust has donated £458k primarily for day services at Walberton concentrating mainly on Sussex Orchards. Money is given annually for the coming financial year.

**General Regional Funds** - Regional fundraising for general regional purposes, for future services and goods that are not funded by Local Authorities.

**Other grants & donations** - This includes individual smaller donations of less than £30k.

## 24. Pension Commitments

### (a) Home Farm Trust Retirement Benefits Scheme

During the year the group operated a defined benefits pension scheme (the "RBS") on 26 October 2005 the company ceased contributions to this scheme in respect of future accruals. Consequently, there are now no active members of this scheme. During the Scheme year ended 31 March 2020 the RBS Trustees took the decision to consider winding up the Scheme. This progressed and on the 10 March 2020 the investment assets were disinvested and the proceeds transferred to a buy-in insurance policy. The Hft RBS Trustees commenced winding up the RBS in February 2022 and are aiming to complete the winding up of the RBS by the end of 2022.

The scheme is administered by the Trustees of the scheme and provides benefits based on final pensionable salary.

The assets of the fund are held independently from those of the group and are invested in an insurance policy with Rothesay. Contributions are assessed on the advice of an independent qualified actuary on the basis of valuations using the projected unit method. The most recent full valuation of the scheme was as at 31 March 2017.

## FRS 102 - assumptions, asset, liability and reserves disclosures

The full valuation of the scheme as at 31 March 2022 was performed by the scheme actuary, an employee of Capita plc.

### Employee benefit obligations

The assets and liabilities of the scheme on an FRS102 basis were:

Group and Company	2022 £'000	2021 £'000
Fair value of scheme assets	12,289	13,087
Present value of defined benefit obligation	(12,133)	(13,375)
<b>Surplus/(deficit) in scheme</b>	<b>156</b>	<b>(288)</b>
Restriction on asset limit under paragraph 28.22 FRS 102	(156)	-
<b>Defined benefit asset/(liability) recognised in the balance sheet</b>	<b>-</b>	<b>(288)</b>

### Expense Recognised in the Statement of Financial Activities

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

Group and Company	2022 £'000	2021 £'000
Net interest on defined benefit liability	-	-
Restriction on net interest due to paragraph 28.22 FRS 102 asset limit	-	-
<b>Total recognised in statement of financial activities</b>	<b>-</b>	<b>-</b>

### Amounts taken to Other Comprehensive Income

Group and Company	2022 £'000	2021 £'000
Actual return on scheme assets - gains and (losses)	(986)	1,328
Less: amounts included in net interest on the defined benefit liability	(239)	(271)
Return on scheme assets excluding interest income	(1,225)	1,057
Actuarial gains and (losses)	976	(1,109)
Changes to the asset restriction under paragraph 28.22 FRS 102	(156)	-
<b>Re-measurement loss recognised in Consolidated SoFA</b>	<b>(405)</b>	<b>(52)</b>

### Changes in the present value of the defined benefit obligation

Group and Company	2022 £'000	2021 £'000
Opening defined benefit obligation	13,375	12,544
Benefits paid	(508)	(554)
Interest cost	242	276
Remeasurement (gains) and losses	(976)	1,109
Past service costs	-	-
Closing defined benefit obligation	12,133	13,375

### Changes in the fair value of scheme assets

Group and Company	2022 £'000	2021 £'000
Fair value of scheme assets at beginning of period	13,087	12,313
Interest income	239	271
Re-measurement gains and (losses)	(1,225)	1,057
Return on scheme assets excluding interest income	-	-
Contributions by employer	696	-
Benefits paid including expenses	(508)	(554)
<b>Closing fair value of scheme assets</b>	<b>12,289</b>	<b>13,087</b>

### The major categories of scheme assets as a percentage of total scheme assets:

Group and Company	2022 £'000	2021 £'000
Equities and other growth assets	0%	0%
Government bonds	0%	0%
Corporate bonds	0%	0%
Insured annuities	98.7%	98.5%
Cash	1.3%	1.5%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Pension costs are allocated solely against unrestricted reserves.

### Principal actuarial assumptions:

Group and Company	2022 Per annum	2021 Per annum
Discount rate	2.65%	1.85%
Retail prices index (RPI) inflation	4.00%	3.45%
Consumer prices index (CPI) inflation	3.00%	2.45%
Future increases in deferred pensions	3.00%	2.45%
Rate of increase to pensions in payment	3.60%	3.20%
RPI (max 5% pa)	3.60%	3.20%
Discretionary increase (per 6/4/1997 pension)	None	none

### Post retirement mortality

2PA tables with Core CMI 2019 projections subject to a long-term improvement of 1.25%.

### Cash commutation:

Members assumed to commute pensions benefits for tax free cash at retirement equal to 75% of the maximum permitted.

	2022 Per annum	2021 Per annum
Future life expectancy of male aged 65 at balance sheet date	21.7	21.6
Future life expectancy of male achieving age 65 20 years after balance sheet date	23.7	23.0
Future life expectancy of female aged 65 at balance sheet date	23.1	23.6
Future life expectancy of female achieving age 65 20 years after balance sheet date	25.2	25.1

### (b) Self-Invested Personal Pension

The HF Trust Limited group personal pension plan provided by Aegon was moved into Aegon Retirement Choices (ARC) in 2019 with members having their own self-invested personal pension (SIPP) with ARC. The pension remains open to certain categories of Hft employees.

The company contributions to this plan are dependent on individual contracts of employment, varying between 3% and 9% of earnings. Members of this plan will contribute a minimum percentage of earnings as defined by government policy.

The assets of the plan, which are held separately from those of the company, are invested with Aegon Plc. The pension charge for the year was £163k (2021: £165k). The charge for the year includes £64k (2021: £66k) contributed under an employee salary-sacrifice scheme. An amount of £8k was owing to the plan in respect of contributions as at 31 March 2022 (2021: £8k).

Contributions paid and costs incurred, by the company, are charged as expenditure in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes in FRS 102.

### (c) NHS Pension Scheme

Contributions have been made to the NHS Pension Scheme in respect of colleagues transferred to the company under the Bradford day services contract (since February 2012) and Oxford Vale contract (since September 2012).

The NHS Pension Scheme is an approved multi-employer defined benefit scheme. Hft is unable to identify its share of the assets and liabilities of the scheme at the balance sheet date and as such is treated as a defined contribution scheme in accordance with FRS102.

Contributions to the scheme are charged to the SOFA in the period in which they fall due. The current contribution rate is 14.38% as determined by Government Actuary using the Projected Unit Method. The amount charged to the SOFA was £277k (2021: £201k) and contributions owing to the scheme as at 31 March 2022 were £22k (2021: £16k).

#### (d) Local Government Pension Scheme

The company is classified as an admitting body for the West Yorkshire Pension Fund and Oxford County Council Pension Fund following the transfer of staff under the Bradford day services and Oxford Vale contracts.

The share of the deficit on each of these schemes attributable to the company has been calculated by the scheme actuaries and in the opinion of the Trustees is not material individually or in total. The schemes are accordingly accounted for as defined contribution schemes and contributions to the scheme are charged to the SOFA in the period in which they fall due.

The company's contribution rate payable to the West Yorkshire Pension Fund is 0% and to the Oxford County Council Pension Fund is In April 20 contribution rate was 19.9%, from May 20 - 5 members changed to 30.1% and 1 member to 23.8%. In Jan 2021 the 5 members decreased to 26.1% of earnings, as determined by the scheme actuary in each case.

The amount charged to the SOFA in respect of both schemes was £84k (2021: £72k) and contributions owing to the schemes as at 31 March 2022 were £7k (2021: £5k).

In respect of the NHS pension scheme, and the West Yorkshire Pension Fund and the Oxford County Council Pension Fund, the main contributory bodies to these 3 schemes are publicly funded statutory bodies. Hft is responsible, under the agreements by which it provides pensions from these 3 pensions funds to its colleagues, for the contributions in respect of those employees only, and has no liability for any other participating entities' obligations in respect of the schemes.

As a part of the new service in Flintshire Hft pays into the Clwyd Pension Fund. Contributions into the scheme are 20.1% and totalled £106k (2021: £133k) during the year with £11k (2021: £10k) owing to the scheme in respect of contributions.

#### (e) Care Fund Group Personal Pension Plan

During the year, contributions have been made to the Care Fund Limited group personal pension plan in respect of employees transferred on acquisition of the Care Fund group. With effect from the date of commencement of automatic enrolment into The Peoples Pension Scheme (see below), the Group Personal Pension Plan closed to new members.

The group contributions to this plan are dependent on individual contracts of employment, varying between 3% and 13% of earnings and are calculated based on individual salaries at 1 April each year.

Contributions paid and costs incurred, by the group, are charged to expenditure in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes in FRS 102.

The assets of the plan, which are held separately from those of the group, are invested with Standard Life plc. The pension charge for the year was £20k (2021: 23k). An amount of £2k was owing to the plan in respect of contributions as at 31 March 2021 (2021: £2k).

#### (f) The Peoples Pension Scheme

To meet its legal obligations, from its staging date of 1 September 2013, the group commenced automatic enrolment of staff into The Peoples Pension Scheme; the scheme operates under a Master Trust.

Auto enrolment contributions are 8% of qualifying earnings with the company paying 3% and employees 4%.

Contributions paid and costs incurred, by the group, are charged as expenditure in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes in FRS102.

The pension charge for the year was £887k (2021: £880k). An amount of £75k was owing to the plan in respect of contributions as at 31 March 2022 (2021: £71k).

#### (g) Other pension schemes

During the year, contributions have been made towards schemes in respect of employees transferred on acquisition of the Care Fund group and the Edward Lloyd Trust. The group contributions to this plan are fixed amounts, dependent on individual contracts of employment.

Contributions paid & costs incurred, by the group, are charged as expenditure in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes in FRS 102.

The assets of the plan, which are held separately from those of the group, are invested with Scottish Equitable plc, Friends Provident plc, Nest and Legal & General. The pension charge for the year was £8k (2021: £7k). An amount of £0.5k was owing to the plan in respect of contributions as at 31 March 2022 (2021: £0.4k).

### 25. Financial Commitments

Total minimum commitments for non-cancellable operating leases are as follows:

	2022		2021	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Amounts payable within one year	630	321	684	493
Amounts payable between one and five years	1,707	453	1,913	665
Amounts payable in over five years	2,124	-	3,202	-
	4,461	774	5,799	1,158

### 26. Capital Commitments

There are no capital commitments to report.

### 27. Contingent Liabilities

There are no contingent liabilities to report.

### 28. Post Balance Sheet Events

After the balance sheet date in 2022 two properties were sold and the following proceeds received: Moss Close sold for £0.4m in May 2022 and Rowde Campus sold for £1.4m in July 2022.

## 29. Related Party Transactions

HF Trust Limited is the parent company within a group that prepares consolidated financial statements. The parent company has the following transactions with other group companies:

Hft has a loan of £10k due and an outstanding balance of £9k from Hft Trading Limited. A management charge of nil was incurred by Hft Trading Limited (2021: £nil).

Hft has no outstanding balance due from LUV2MEETU CIC. Costs of £65k were recharged to LUV2MEETU CIC (2021:£74k).

### (a) Related transactions in parent company for year ending 31 March 2022:

	Sales £'000	Purchases £'000	Debtor £'000	Creditor £'000
HFT Property Limited	-	-	1	-
HFT Trading Limited	-	-	19	-
Luv2meetU	65	-	-	-
<b>Total</b>	65	-	20	-

### (b) Related transactions in parent company for year ending 31 March 2021:

	Sales £'000	Purchases £'000	Debtor £'000	Creditor £'000
HFT Property Limited	-	-	-	3
HFT Trading Limited	-	-	19	-
Luv2meetU	-	-	-	-
<b>Total</b>	-	-	19	3

During the year, no Trustees of Hft were also Trustees of related parties.

## 30. Capital

The charity is a parent company limited by guarantee. Each member has undertaken to contribute £10 to the assets of the group to meet its liabilities if called on to do so. The total amount guaranteed by members at 31 March 2022 is £1k (2021: £1k).



## 31. Financial Instruments

The company's financial instruments are as follows:

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Financial assets				
Debt instruments				
Loan due from Dimensions UK	42	42	42	42
<b>Total</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>
Equity Investments				
Listed investments	7,265	6,882	7,265	6,882
Financial Liabilities				
Mortgage loans	250	250	250	250
Interest free loans	148	158	148	158
<b>Total</b>	<b>398</b>	<b>408</b>	<b>398</b>	<b>408</b>

### Equity Instruments

Equity instruments that are listed on a regulated stock exchange are measured at fair value using observable market inputs. The inputs used in valuing the instruments include indexes provided by these regulated markets.



### 32. Restricted Funds Prior Year - Group and Company

	At 1 April 2020 £'000	Income £'000	Expenditure £'000	Fixed asset transfers £'000	At 31 March 2021 £'000
<b>General service restrictions:</b>					
Gloucestershire	134	21	(15)	(19)	121
Sheffield	31	13	(22)	(0)	22
The Wirral	46	27	(8)	(37)	28
Kent South	35	17	(1)	(7)	44
South Oxfordshire	134	1	(121)	(0)	13
Herts & Essex	77	88	(55)	(41)	68
Devon	325	4	(41)	(13)	275
Leeds	78	3	(44)	(1)	36
Bedfordshire	72	14	(40)	(5)	40
Arden Vale	27	22	-	(18)	31
Cornwall	19	62	14	(25)	69
Cornwall (RMH)	17	-	-	-	17
Kingston-upon-Thames	71	11	-	(47)	35
North Oxfordshire	64	2	(30)	(2)	34
Bristol	9	3	(1)	(7)	4
Bradford	61	29	-	(8)	81
Kent North	269	19	(154)	(54)	80
Sussex	279	88	(23)	(81)	262
Shropshire	42	20	(16)	(18)	28
Leicestershire	23	10	(9)	(0)	24
London	33	25	(6)	(30)	22
Wiltshire	125	8	(94)	(18)	20
Lancashire	-	27	(23)	(0)	3
Newcastle	16	1	(11)	(0)	6
Forest of Dean	7	-	-	(2)	4
Flintshire	37	68	-	(57)	48
Other project grants: L2MU, PT	361	478	18	(315)	542
Newcastle Edward Lloyd Trust	877	-	-	-	877
<b>Other restrictions:</b>					
Edenbridge legacy	645	-	-	-	645
Extra Special Trust	774	-	-	-	774
Tiverton Drop-In Centre	57	-	-	-	57
Design for Life - East Midlands	408	-	-	-	408
Design for Life - Lancashire	53	-	-	-	53
West Sussex - Community Fund	137	-	-	-	137
General Regional Funds	-	-	682	-	682
Others Grants & Donations	498	-	-	-	498
Restricted project fund	5,835	1,060	-	(807)	6,088
Restricted fixed asset fund	12,473	-	-	(630)	11,847
<b>Total restricted funds</b>	<b>18,312</b>	<b>1,060</b>	<b>-</b>	<b>(1,437)</b>	<b>17,935</b>

**HF TRUST LIMITED**

England & Wales - Charity number 313069

---

# Accounts

---

# Annual Review and Annual Report

for the year ended 31 March 2021

## Caring through crisis





## Overview

We are a national charity founded in 1962 by a group of families who had a vision for creating a better life for their relatives who had learning disabilities. We pioneered the idea that everyone could have choices about how they live.

Today, we are trusted to support more than 2,200 people across England and Wales, from living independently in their own home, to day opportunities; from a few hours a week, right up to 24 hours a day.

We are funded in several ways: predominantly through local authorities, who fund vital support services, through Housing Benefit from the Department for Work and Pensions and through donors, supporters and volunteers who enable us to find new ways to help more people to thrive, rather than just get by.

For some of the people we support, we provide round the clock care, while for others we help with specific challenges such as building a social life or developing skills for independent living. For every person we support, we are committed to working in partnership with them to realise their best life possible.

## Caring through crisis

### Contents

Welcome from the Chair of Trustees	4
Our year in numbers	6-7
Our operational response to Covid-19	8-11
Operational developments	12
Training and development	13
Sector expertise	14-15
Involving the people we support	17-19
Supporting people through uncertain times thanks to the generosity of our many and wonderful donors	20-21
Hft strategy and transformation	22
Looking ahead	23
Reference and administration details	24
Structure, Governance & Management	25-30
Strategic Report: objectives, activities and public benefit	31
Achievements & Performance	32-40
Consideration of Directors Responsibilities	41
Financial Review	42-45
Plans for Future Periods	46
Statement of Trustees' responsibilities	47
Independent Auditors' report to the members of HF Trust Limited	48-50
Consolidated Statement of Financial Activities	51
Balance Sheet	52
Cash Flow Statement	53
Notes to the Financial Statements	54-82

## Welcome from the Chair of Trustees



Reflecting back on 2020-2021, Hft, like many other organisations, has had to face the full force of the pandemic head-on. Our staff teams have been under huge pressure as they have endeavoured to meet the daily challenge of providing care, safety and reassurance for the people they support, as well as managing personal challenges at home in keeping themselves and their loved ones safe and well.

At the start of the pandemic, we quickly established a Pandemic Committee to bring key operational and central support teams together to ensure a swift and effective organisational response. This group, led by the Executive Board, has been instrumental in steering Hft safely through this incredibly difficult period. The Board of Trustees extends its heartfelt thanks to everyone who has played their part in keeping our teams and the people they are supporting across our services safe during a time when nothing has been 'normal'.

Amid this backdrop I was delighted to welcome Becs Gratton as Executive Director of Operations to Hft in June 2020, Mel Corish as Director of Change in September, and Kirsty Matthews as Hft's new CEO in December. These senior appointments marked the start of a new era for Hft as plans for our transformation began.

Much work had already been carried out against our previous strategic plan and looking to the future our critical drivers remain very similar. However, there is a keen commitment and recognition from Trustees to balance who we are as a well-established provider of care and

support, with our charitable status and expertise as a provider of homes. This has led us to reconsider how we are structured internally. Our Executive Board is now supported by seven Chief Officer roles which includes the addition of a Chief Quality and Governance Officer. Our newly configured Board of Trustees and Trustee Sub-Committees means that we have a united approach and are set up appropriately to support our plans for transformation.

In this pandemic year, I'd like to offer a sincere thank you to everyone for all you have done and continue to do to help us build towards Hft's future. I hope this review demonstrates what we've still been able to achieve for the people we support across our services, despite the challenges of the Covid-19 pandemic.



**Amanda Bunce**  
Chair of the Hft Board of Trustees



## 2020-2021 Our year in numbers

**OVER 2200** people supported (as of 18/05/21)



**90%** of services registered with the **CQC** rated as either **Good** or **Outstanding** (as of 31/03/21)

**380 people** involved with our Luv2meetU service

**2050** virtual Luv2meetU events held



**6 video resources** created providing accessible information on Covid-19



**433 people** advised by our Family Carer Support Service

**Total Income**  
**£84,985,000:**

£81,673,000 Services  
£1,877,000 Fundraising  
£1,435,000 Other

**Total Expenditure**  
**£86,002,000:**

£82,464,000 Services  
£1,200,000 Fundraising  
£2,338,000 Other



**40 people** we support attended our 4 virtual national **Voices to be Heard** meet ups

**£1.9m** raised by Hft supporters to fund our charitable services



**6 people** we support joined our **Walk in Our Shoes** lived experience policy and campaigns steering group



**33 people** we support attended a training workshop to help them get **more involved** in staff recruitment

**482 items** of new **Personalised Technology** installed in people's homes and 74 items loaned to services during Covid-19

**205 IT tablets** provided to people we support during Covid-19 to support communication with family and friends



More than **3,100** staff working across our services



# Our operational response to Covid-19



Covid-19 has presented a huge challenge for all social care providers as we have had to respond and adapt quickly to ensure the safety and wellbeing of our staff teams, the people we support, and their families. A multi-department Pandemic Committee met daily at first to review policy changes and critical issues, and to respond to constantly changing guidance. This soon evolved into three sub-committees looking at specific parts of our response.

Our regions created tailored business continuity plans, based on local requirements and the unique needs of the people we support in that service. Regular communication was essential with our teams on the ground, to provide them with updated guidance on the best way to protect the people we support.

Internal processes changed rapidly with lockdown, as some of us adapted to working from home to ensure the organisation could keep functioning. Our IT team brought forward the rollout of Microsoft Teams to enable virtual meetings and information sharing that would be so important to see us through the pandemic.

With meetings switching to become virtual, we were able to support many of our family carers in meetings with their local authority. The feedback from this has been overwhelmingly positive, with one family carer saying:

**“ That was the most pleasant and positive meeting I've had with a group of professionals since my relative first went into care 20 years ago – thank you for your remarkable assistance.**

Staff shielding and sickness, and the need to limit movement between houses, meant we needed careful rostering and more relief staff and volunteers. A bespoke recruitment campaign, 'Care to join us?', was launched to promote our vacancies to those temporarily unemployed or out of work as a result of the pandemic. The campaign drove a 57% increase in visitors to our job pages helping to boost our relief bank and ensure we could continue to deliver critical services.

Most of our Day Services were forced to close during lockdown, and these staff found their jobs changed overnight as many took on new roles in services to help provide additional cover in our accommodation-based services. Teams worked creatively to continue providing much-needed

support, developing new outreach services for those who were isolated at home, or making regular support calls to their families.

Our supported employment offering was also affected; whilst some interns and graduates from Hft's Project SEARCH programmes continued working in key worker roles, others were furloughed by their employer. We adapted by offering development sessions via online platforms, and remote rotation opportunities; working on collaborative work-based projects, and providing support to apply for jobs and attend interviews.

Access to Personal Protective Equipment (PPE) was a challenge at first, but our estates team worked hard to ensure we were able to source the stock we needed to keep people safe. Later, we were also able to access government grants which helped us to keep all staff employed and protect them with PPE.

We also launched our Pandemic Appeal fundraising campaign, to ensure staff and the people we support had access to vital supplies and services. To date more than £160,000 has been donated.

Once vaccinations became available, we did all we could to promote uptake of the vaccine, including responding to Public Health England's request for details about all our care and support colleagues to make sure they were included in the early wave of vaccinations. We also provided resources to inform both staff and the people we support of the importance of the vaccine, how to access it, and to address any safety concerns they had.

Hft's commitment to listening to an informed employee voice has continued through engagement with the network of employee representatives in our Partnership Forum. Representatives meet regularly both locally and nationally, working in partnership on key issues

affecting Hft, as well as providing support for colleagues. Representatives have been crucial in providing insight into the challenges faced over the pandemic and as a sounding board in shaping our strategy.



**Becs Gratton**  
Chief Operations Officer

**“ Joining in the middle of the pandemic and at the end of the first lockdown, I was not in the least bit surprised to find a dedicated group of social care workers that were putting others before themselves in the most extraordinary way, every day. I saw staff travelling across areas to support services who had been hit hard by outbreaks of the virus, staff who were moving into services to support small groups of vulnerable people to ensure that they were protected by not having lots of traffic through their homes, staff who moved into hotels so that they could continue to work and stay away from their families to keep those vulnerable members protected.**

**Each of us is more than someone who works in social care, we are mothers and fathers, sisters and brothers, daughters and sons, husbands and wives, and each of us has had to deal with the other part of our lives as well as the role we play whilst in work. I have spoken to members of our teams that have seen family members lost to this virus, and those who remain with them but changed forever by its effects. We all have more than one story to tell about this pandemic and I am, as always, humbled by my colleagues for their astonishing resilience in the face of near insurmountable difficulties. I can only begin to try to find the words to say thank you.**

**Safe to say that social care workers remain my favourite brand of hero.**

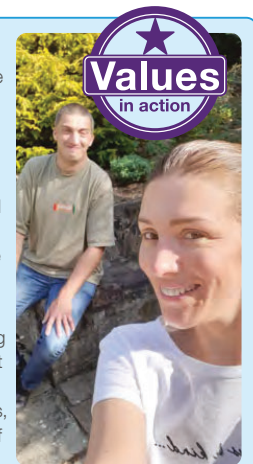
Very sadly, during the pandemic 14 people we support and one member of staff passed away. We extend our sympathy and condolences to their loved ones, and their support teams who cared for them during this time. All are greatly missed from their communities.

## Sarah Grice, Hft Flintshire

The temporary closure of Flintshire's day services meant that many people were left isolated and without the support they were used to. In response, Sarah, who normally works as a job coach, began to offer outreach support for people at home, providing a vital lifeline for them.

This included supporting one gentleman living alone who, as well as having his work placement suspended, was unable to see his partner and family. Recognising that he was struggling to cope and even experiencing suicidal/depressive thoughts, Sarah did everything she could to ensure he got the support he needed, increasing her contact with him and ensuring he always had someone to talk to when needed.

Sarah also played a key role in the provision of virtual day services, hosting a weekly Zumba class and voluntarily giving up her Saturdays to run talent shows and exercise classes. From providing additional support to help maintain relationships, to picking up shopping and hosting online sessions, Sarah's creative approach and dedication ensured the mental wellbeing of the people at the service was supported.



**Our recruitment campaign drove a 57% increase in visitors to our job pages.**



**More than £160,000 has been donated to our Pandemic Appeal as of 31/03/21.**



## Staying connected

### Helping people to adjust and to stay in touch with families and friends

Throughout the pandemic we created a number of accessible videos to help people with learning disabilities understand what might happen if they caught Covid-19, through to information on testing and vaccinations.

Lockdown restrictions meant that the people we support could not go out and do the things they usually enjoyed. For some, especially those with more complex needs, this was a very difficult time. Our staff teams worked tirelessly to support people, and found innovative ways to help them understand the restrictions.

We surveyed families of those we support after the initial lockdown and 89% of the respondents made positive comments about the way staff supported their relative, with 64% saying that there was 'nothing' we could have done better. One person said:

**“The staff have been amazing, and I cannot thank them enough for their care.”**

Fully aware that the past year was a time of great concern to families of the people we support, we also provided them with regular updates on the steps we were taking to keep their relative safe at this time.

The infection control measures in place to keep people safe, and the associated need to reduce the number of people entering households, meant families could not visit relatives initially – access was risk assessed on a person-centred basis later on. Families were very patient during this trying time as our teams worked hard to help the people we support maintain these important relationships, thinking creatively and using technology to keep in touch. Wherever possible outdoor visits were facilitated, including the use of meeting pods and screened visits.

Our Luv2meetU service was adapted to offer telephone and online/digital social events, allowing us to transform our service and enable members to stay in contact with each other.



*Thank you!*  
from Gus

“ I would like thank the staff that helped and supported me through this difficult year. They are nice, kind, caring, sweet, respectful and they go out of their way to help in any way they can. I have been recommending Luv2meetU to family and friends where I can to help let people know about the service. I am a new member and I appreciate all the support and advice, and having someone talk to in this difficult time we are all in.



### Interaction hubs in Cheshire and Merseyside



People we support in Cheshire and Merseyside were able to safely enjoy the company of their loved ones throughout the pandemic, thanks to 11 new 'interaction hubs' set up to allow families to spend time together safely while still following government guidelines.

The specially designed wooden gazebos contained lights, heating and benches, allowing people to shelter from the weather, and were complete with markings to help with social distancing. The hubs have been particularly popular with people who have previously suffered from low moods when poor weather meant family visits had to be cancelled.



## Looking after our teams



### Celebrating our Hft Heroes

In recognition of this challenging pandemic year we relaunched our annual staff awards as 'Hft Heroes' awards. A 'People's Choice' award was also introduced for the first time which attracted a huge response from families and the people we support who nominated their own Hft Heroes.

Unfortunately, due to lockdown restrictions, it was not possible to run face-to-face presentations for the awards. Instead we decided to celebrate in a Covid-safe way, with Kirsty Matthews, our CEO, and Trustees making congratulatory calls to winners and runners up. Surprise letterbox hampers to winners, in addition to the standard monetary award were also sent.



### People's Choice Award Winner: Joanne Jones, Hft Sheffield and Derbyshire



David was admitted to hospital early in the pandemic and later diagnosed with Covid-19. With a ban on all hospital visitors, national travel restrictions, and hotels closed, as his condition deteriorated he faced the very real prospect of dying alone.

Jo ensured this did not happen. On his final night, she sat holding David's hand, juggling two mobile phones on speakerphone to enable his family to have a final conversation with him – one that was full of laughter and tears.

Thanks to Jo, David spent his final hours comfortably and was able to share a final priceless family moment on the phone. David's sisters, who nominated Jo for this award, said:

**“Jo's devotion to David went beyond anything we could reasonably expect of Hft - she did what family would do.”**



### Wellbeing resources

As our own Sector Pulse Check research has shown this year, the pandemic has had a significant impact on everyone. Care and support teams have worked intensively, with the discomfort of wearing full PPE throughout the day, dealing with uncertainty, illness and sadly in some cases bereavement. We were very mindful that our teams also had their own families and relatives at home affected by the pandemic as well as the people they cared for in our services and that this was going to have a long-term impact on them. To help address this important issue we offered bespoke wellbeing training, created a new wellbeing information Hub and set up a 'Check in and Chat' support service for colleagues who were shielding. A dedicated fund to help support staff facing financial difficulties was also launched. Engaging with our Partnership Forum and working with focus groups has helped inform and shape our wellbeing strategy.

Our Trustees sent personalised thank you cards and notes of encouragement to staff teams across our services, and a Random Acts of Kindness fund enabled local managers to thank their teams in whatever way was needed to help boost morale.

### Wellbeing Strategy

The Wellbeing Strategy is made up of the following four pillars:

<b>Mental Health</b> SUPPORT Recognition of mental health at work	<b>Physical Health</b> Healthy lifestyle choices Prevent absences at work Good nutrition and hydration	<b>Support and appreciation</b> Wellbeing products Team lead managers to support wellbeing	<b>Work life balance</b> Reduce pressure Protect personal life
---	---	--	--

Our wellbeing strategy has been developed through working in partnership, seeking feedback from colleagues through focus groups and from Partnership Forum Representatives. It will continue to develop and evolve in partnership.

## Operational developments

The pandemic has forced everyone to think differently about the way they do things and their plans for the future. Like all care providers, we have needed to be agile and responsive to the challenges we have faced to ensure we are doing the very best we can to keep the people we support and their families safe, as well as our colleagues and their families during this critical time.

Over the last year we have used our learnings from the pandemic to inform the wider review of our services that was initiated by our new Chief Operations Officer, Beccs Gratton, when she joined Hft. This has prompted us to re-evaluate our direction and refocus our strategic efforts and commitment on improving, modernising and innovating our current services for those people who are already part of our family.

Each of our services will be reviewed and assessed on its own merits, to take in to account the individual needs of the people at that service and balance these with the charity's need to provide financially sustainable services. We understand the importance of engagement and co-production with all involved as future plans are developed, and that there is more work for us to do in this area. In recognition of this we will be introducing a new Policy Development Manager to review all of our policies from a family involvement perspective, and to support

the impact assessment process across all of our services. We have engaged with Learning Disability England to work with us to develop a robust organisational methodology to support us becoming an organisation that is determined to have co-production and consultation at the forefront of the way we work with the people we support.

While the pandemic has undoubtedly brought additional challenge and pressure, these continue to be underpinned by the longstanding and unresolved issue of the underfunding of social care. Like other learning disability providers contributing to our Sector Pulse Check research, the need to make difficult decisions has continued this year as we have struggled to balance the long-term financial sustainability of some services, such as Rowde in Wiltshire, with the challenge of providing high-quality person-centred support for those living there.

### Quality of the care

We continue to follow the principles of our Fusion Model of Support across our services which underpins for us what excellent care and support, and the best life possible means for people with learning disabilities.

Our Quality strategy for the past year has been to continue to strive for a 'Good' CQC rating as a minimum across all of our services. Our Quality Assurance team has been working closely with our operational teams to support them as they balance the demands of the pandemic with the need to provide high-quality services, and our quality performance remains above the sector norm.



## Training and development

### Hft ranked as the 11th best apprenticeship employer in the country

We were absolutely thrilled to be revealed as number 11 in the Top 100 Apprenticeship Employers 2020, the highest ranked charity and social care provider in the government's list, which celebrates employers from a wide range of industries across both the public and private sectors.

Apprentices account for around 20% of Hft's workforce and are focused on gaining skills, experience and qualifications while earning a wage. The first apprentice funded by the government's Levy scheme joined in August 2017; today there are more than 600 apprentices across the organisation taking part in nationally recognised training and development programmes to start or further their careers, predominantly in social



care and management, but also in areas such as administration, IT and accountancy. Sue Hill, Hft's Head of Organisational Development, said:



**“ Professional development is extremely important to us and we strive to offer exemplary learning and development opportunities for all staff. Apprenticeships are an important part of this, as they offer a structured framework for staff to gain skills in numeracy and literacy, as well as nationally recognised qualifications for those who are new to the sector or may want to further their careers.**

### We're still Silver! - Investors in People confirm our accreditation for another year

Following a strategic review, in April 2020 we were pleased to be re-awarded Investors in People (IIP) Silver accreditation, allowing us to continue to hold that badge for another year. This was extended for a further year in April 2021.

Silver is a great achievement - only 15% of organisations achieve silver and it means that the right principles are in place for driving an effective, supportive and consistent culture across the charity.

Our IIP assessor said:

**“ You have demonstrated consistently that continuous improvement is embedded in the Hft culture, and even though the full assessment has not gone ahead this year, you have provided an impressive range of documents showing the progress you have made over the preceding 12 months.**

The recommendations received from IIP mean we can keep making changes that help us keep improving to provide the best experience possible for the people we support.

**INVESTORS IN PEOPLE™**  
We invest in people Silver

### Hft successfully re-accredited as a Centre of Excellence for training

In March 2021 we were delighted to learn that we'd retained our Centre of Excellence status from Skills for Care. We're proud to say that we are one of only a very few charities who currently have this rating, which recognises that we're giving our staff teams the best possible training, enhancing both the professional development of those who work for us and ultimately, the service received by the people we support.

Our Organisational Development Team have risen to the challenge during the pandemic to

quickly flex provision to the virtual environment, ensuring staff can continue to be inducted into the organisation and receive support to complete their care certificates.

They have also helped support the wellbeing of the workforce, running virtual wellbeing sessions to give staff a forum to discuss how they are feeling and provide access to tools and techniques to help support their wellbeing and improve their resilience.

Jackie Jones, our Interim Chief People and Organisational Development Officer, said:

**“ To have done this during a pandemic and a full lockdown and to have maintained standards of excellence is nothing short of an amazing achievement.**

## Sector expertise



### Sector Pulse Check 2020

In our fourth financial snapshot of the health and social care sector, providers told us about the financial health of the social care sector over the previous year and some of the key issues it has faced.

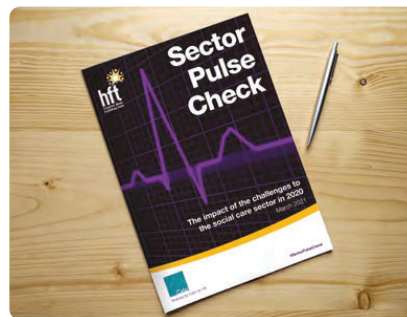
**Victoria Hemmingway**  
Public Affairs and Policy Manager

Unsurprisingly, this year's report focused heavily on the impact of the Covid-19 pandemic and highlighted the toll it has taken on the mental health of the social care workforce. According to the research, 62% of providers have seen a rise in absenteeism relating to mental health since the beginning of the pandemic.

Providers responded quickly to this development, with all offering some form of support to their invaluable workforce including signposting to resources, mental health awareness training and appointment of in-house mental health first-aiders. However, it is worth noting that care providers dug deep into their own pockets to fund this, despite the continued financial constraints faced by the sector at large. 56% of providers reported that in 2020 they were either in deficit or their surplus had decreased.

Concerningly, owing to these cost pressures, nearly two thirds (62%) of providers reported having to close down some parts of their organisation or hand back marginal contracts and services to their local authority over the past year. This is an increase from 45% the previous year. In addition, over one in ten (11%) were forced to offer care to fewer people and around one third had to make staff redundancies in 2020.

In light of these findings, over the past year Hft has been calling on the government to recognise the efforts of the pandemic's under-valued workforce, through investment in social care and finally bringing forward a long-term sustainable funding solution for the sector. This must ensure frontline social care staff have the mental health support they deserve and must also address the longstanding financial challenges of the sector.



**62%** of providers have seen a rise in employee absenteeism relating to mental health.



**Around 1/3** of providers

have had to make **staff redundancies** for the past three years.

**62%** of providers



had to **close down** some parts of the organisation or **hand back** marginal contracts and services to their local authority over the past year.

**56%** of providers



report they are either in **deficit**, with costs exceeding funding, or that their **surplus has decreased slightly or significantly.**

### Personalised Technology team awarded £20,000 training grant from the Gloucestershire Digital Innovation Fund

June 2020 saw our Personalised Technology (PT) team awarded a £20,000 training grant from the Gloucestershire Digital Innovation Fund to train other adult social care providers in the area to harness the power of technology and use it to support people to live more independently.



This year's Sector Pulse Check report revealed that the biggest barriers to providers using assistive technology were financial issues, with 75% of providers reporting a lack of funds for investment in technology, and a lack of awareness (reported by 59% of providers). Working in collaboration with Gloucester County Council, and setting out to overcome these challenges, our PT team are now able to provide vital training to providers in Gloucestershire, helping them to use technology to empower people they support.

The team will be working with local providers, reaching up to 100 members of social care staff in total. Training will focus on the types of technology available and the outcomes it can deliver, with a focus on cost efficient low-tech solutions. Case studies and demonstrations will be made available to bring the technology to life. Providers will also have the opportunity to loan some equipment and if successful will keep it.

Ben Williams, Personalised Technology Coordinator, said:

**“ We're thrilled to have received a grant that will allow us to increase awareness of the potential that personalised technology has to enhance the lives of people with learning disabilities. The Covid-19 pandemic has really demonstrated the importance of technology, with all of us leaning on it more than ever to stay connected. For many people with learning disabilities, it has become an absolutely essential tool in supporting with social distancing and self-isolation, reducing isolation and keeping safe.**



**Anthony** - using technology to keep in contact with family.



Dionne enjoying the garden.

## Involving the people we support

### Walk in Our Shoes group – a new lived experience policy steering group

“ We are a new group and had our first meeting in March 2021. There are six people in our group and we want to run it ourselves. We talk about politics and recently we talked about local elections. We work together to make sure politicians hear what we have to say. If we don't speak up politicians won't know what our opinions are. We are hoping to run a campaign this year on loneliness and isolation. We want to raise awareness with the public and politicians so people with a learning disability aren't more likely to be lonely.



### It's News to Us

We're always looking for new ways to encourage involvement from people we support and give them a voice. Thanks to £4,000 of fundraised money from Funds for the Future we launched 'It's News to Us!' a news show by and for people we support. People can borrow a video camera to record their own news feature, showcasing their talents and interests. It's a great way for us to share information with the people we support too. The show is presented by Paul who has a keen interest in politics and current affairs. Paul says:

“ I like it because I watch the news a lot. It makes everybody smile, the carers smile and my family. I think it's really exciting being on YouTube.

You can watch the show at:  
[www.hft.org.uk/itsnewstous](http://www.hft.org.uk/itsnewstous)



### Voices to be Heard during the pandemic



Groups have been busy adapting during the pandemic so that people we support continue to have the opportunity to speak out and get involved. 11 groups chose to move online, we hosted four national online events with Directors and Trustees and nine Covid-19 listening events, posted activity packs to people at home, and 15 members have regularly participated in other involvement opportunities. Members of the South West group said:

“ It was strange online at first but now it's brilliant. It's going really well. We've liked seeing faces and being independent. We've been talking about how we feel with the pandemic, and been catching up with each other and what's happening at Hft. We're looking forward to meeting in person again.

- 11 local groups have chosen to continue meeting online
- 9 listening events, where we sought feedback from the people we support about their experiences of the past 12 months
- 4 national meet ups online



We asked the people we support how Hft had supported them during the pandemic and how it had made them feel. Here are a selection of their thoughts:

### How I got supported during lockdown by friends from Women's Day Service

- Zabina



I received a birthday card from womens day services. I was very happy.



I got flowers from the manager at the womans day services. I really like them.



In the lockdown my carer came to support me.



In the lockdown women day services let my friends phone me at home.



In the lockdown some guests came to see me, I was really happy.

### Culture Fusion, Area 4 Bradford

Below is a picture completed by Arran from Culture Fusion.



### Ponderosa House Day Services, Newcastle

Ponderosa House Day Services remained open for some at risk clients throughout Lockdown. Other attendees were supported with activity packs, quizzes, Teams catch-ups and competitions which were all judged virtually by our Property Surveyor for the North, Steve Aldegeur. Ellen said:

“ It was boring having nobody to talk to but I had the staff to natter to... I made an egg cup and an owl and did lots of paintings and I enjoyed the prizes I won... It was cushty belta being here.



Ellen - holding one of her winning entries.

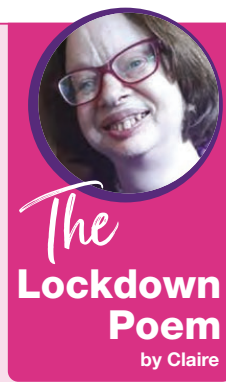


Richard - picking up the Christmas cake ingredients last year which were donated by Sainsbury at Stobhill, Morpeth.

We supported Richard at home initially and then he returned to the centre around August time when restrictions were eased. Richard said:

“ Kevin and Sam dropped of packs at my house and I did drawings and made an owl out of clay. I enjoyed doing the competitions and I won some prizes.

Dear lockdown you're a pain in the bum,  
Not being able to see my family and friends is not much fun,  
The only way that I can communicate is by message or phone,  
Without Ken here I would be well and truly on my poor own,  
I can't wait for the day when you finally come to an end,  
Because it's not just me who you are driving up the bend,  
When everything is back to normal I will have a smile on my face,  
Because everything has lately been strangely out of place,  
I feel like a prisoner that's trapped inside my own home,  
And at night I feel so lonely as I get to sleep on my own,  
It's my birthday next Tuesday and it will feel so strange this year,  
Not to be with my sister and her family who are to me so dear,  
There is one thing that I am looking forward to is meeting Ziggy for the first time,  
I am so happy for my sister and her family about Ziggy they are the best family of mine.



### Hwb Cyfle, Flintshire



Hat made by Dougie



Purple Flower display made by: Sharna



Thank You' made by: Stephen, Jenny, Mark and Patrick

### Residential Service, Stroud



“ I did lots of gardening with Angie and sowed seeds and planted flowers and now I have a lovely flower display of my own. I love my garden. Sally



“ This is my lovely vegetable garden that I made with James. I have grown potatoes, broad beans, spinach and purple sprouting broccoli. I am growing parsley from seed too. I am very pleased with it. Robert

## Supporting people through uncertain times

thanks to the generosity of our many and wonderful donors



Emma MacDonald - at the Thank-a-thon

When the pandemic hit, the fundraising team immediately refocused their efforts on lockdown-friendly activities, shifting to virtual events and launching an emergency appeal to channel funds specifically to support Hft's Covid-19 response.

In total for the year we raised an incredible £1.9m, including Covid-specific funds, and we would like to thank the many supporters, friends, families, volunteers and staff for their generosity and commitment.

### Going virtual

#### Sports & Challenges

With fundraisers like the London Marathon postponed or cancelled, we needed to quickly review our challenge event calendar to ensure things were Covid-safe and flexible enough to adapt to the changing lockdown restrictions.

In February 2021, Hft launched its first ever virtual event - the 1.4 challenge - designed to be safe, inclusive and fun! Themed around Valentine's Day, people were encouraged to make a donation or create a fundraising activity based around the numbers 1.4 or 14. Rising to the challenge participants undertook activities ranging from 1.4 mile walks and 14 mile cycles, to 14 random acts of kindness and 14 minutes of waltzing.

The challenge raised an amazing £8,000 and is set to return in 2022.



Emily - created 14 make-up looks for our 1.4 challenge.

#### Divisional Fundraising

Sadly, Covid-19 restrictions meant that our annual Coming of Christmas events had to be cancelled. However, our supporters and performers rallied to help us put on a new online 'Winter Warmer' event, which was watched by audiences across the UK and the globe!



Brilliantly hosted by Annabel Giles, the event featured readings from Juliet Stevenson and Michael Pennington and the incredible Choir of Magdalen College, Oxford. Best of all though, were the contributions from people we support who showcased their amazing talents with dances, stand-up comedy and storytelling.

The virtual nature of the event made it easy for new audiences to access Winter Warmer, and we intend to run this again in 2021 - as well as bringing back our Dorchester Abbey event (subject to Covid-19 restrictions).

#### Major Donors

Being able to show donors the impact of their support is really important to us. During the pandemic we took these visits to the virtual space, hosting an online briefing event for supporters and patrons to highlight the issue of loneliness and isolation for people with learning disabilities and how Hft is working to tackle it.

Chelsea, a person we support who took part said:

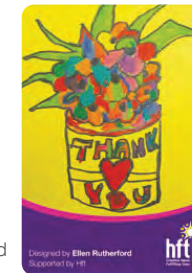
**“ I talked about how being in the house all the time has affected my independence and made me feel nervous about going out again. I also talked about how helpful the online events and activities have been and what I've enjoyed. It was important to be involved to help people understand the perspective of someone with a disability. I really enjoyed it and found it interesting.**



Chelsea

#### Thank-a-thon

After a difficult year we want to say a massive THANK YOU to all our incredible donors and fundraisers for their support. In recognition of their efforts, we sent postcards, featuring a fabulous picture designed by Ellen Rutherford who is supported at our Newcastle service, and shared special messages from celebrity patrons including Martin Clunes and Griff Rhys-Jones across Hft's social media channels. CEO Kirsty Matthews and charity trustees also reached out to supporters through phone calls and emails.



#### Charitable Projects

With the majority of our income coming from local authority contracts, not everyone remembers that Hft is also a registered charity. However, increasingly local authority funding can only cover the bare minimum in support. We use fundraising to support projects that we believe are important in helping people to live the best life possible.

### Hft Flintshire Virtual Day Centre



Providing meaningful activities and support when a pandemic has shut everything down is a huge challenge.

When staff at Hft Flintshire realised that lockdown would stop them being able to run a face-to-face day service for the people we support, they looked at how they could still provide a service for people at home, and drafted a plan to set up a virtual day centre. With the generous support of local funders, this brilliant idea became a reality, with a schedule of daily activities that could be run from a distance, but still be engaging and fun to participate in.

The grants we received were a lifeline, and meant that anyone who wanted to join in could do so. The funds provided activity packs for people to use to participate in activities at home, including immersive arts, growing, and cooking and baking. People could follow along and join in with what was happening live over video and chat with other participants too.

In 2020 and 2021 we delivered over 360 activity sessions in this way. The choice of activities was up to the people we support - a mixture of activities they would ordinarily take part in and new things too! The virtual day centre allowed people to keep their interests going and connect with like-minded friends.

It has proved extremely popular and has enabled people to feel connected while stuck at home, combatting the loneliness and boredom that a lot of people with learning disabilities reported during lockdown.

Some of the feedback received:

- “ The sessions are great, it's nice to see my friends!**
- “ The disco is my favourite, it's so much fun!**
- “ I look forward to the activities! It stops me feeling bored.**

**On behalf of the charity and the people we support at Hft Flintshire, we express our sincere thanks to everyone who has supported the launch of the Virtual Day Centre, especially WCVA Voluntary Services Emergency Fund, The E W Gladstone Charitable Trust and the Gladstone family, Cadwyn Clwyd (Rural Development Agency) and Deeside Support 4.**

# Hft strategy and transformation

**Our Mission: The best life possible**

**Our vision** People with learning disabilities should be able to live within their communities with all the choice and support they need to live the best life possible

**For and with people with learning disabilities, their families and our partners we will focus on:**

**Achieving outstanding quality and experience**

<p><b>Care and Support</b></p> <p>Providing innovative support</p> <ul style="list-style-type: none"> <li>• Engage, understand and involve people</li> <li>• Tailor services to people and support</li> <li>• Partner with choice for people</li> <li>• Supporting more people with mental health</li> </ul>	<p><b>Homes</b></p> <p>Providing excellent homes</p> <ul style="list-style-type: none"> <li>• Support housing choice</li> <li>• Make housing more accessible housing</li> <li>• Provide and offer best value partners</li> <li>• Support and support engagement housing services</li> </ul>	<p><b>Charity</b></p> <p>Growing our impact as a charity</p> <ul style="list-style-type: none"> <li>• Raise awareness of our mission</li> <li>• Create a culture of excellence</li> <li>• Increase our reach and impact</li> <li>• Increase our impact on the community</li> </ul>
--	---	--

**Enabled by working with the people who we support and our staff teams to deliver strong foundations and ensure we are structured to support quality and growth.**

<p><b>Great Governance</b></p> <ul style="list-style-type: none"> <li>• Strong, accountable leadership</li> <li>• Performance and quality</li> <li>• Effective, consistent governance and compliance</li> <li>• Effective and transparent communication</li> <li>• Consistent, on target performance</li> </ul>	<p><b>Financial Sustainability</b></p> <ul style="list-style-type: none"> <li>• Financial success across all activities</li> <li>• Strong independence</li> <li>• Strong housing and support</li> <li>• Commercially driven</li> <li>• Increased fundraising</li> <li>• Innovation</li> </ul>	<p><b>Outstanding People</b></p> <ul style="list-style-type: none"> <li>• Attract, grow, nurture and retain innovative talent</li> <li>• Empower</li> <li>• Embed ownership, accountability and service</li> <li>• Dynamic, improving service culture</li> </ul>	<p><b>Organisational Excellence</b></p> <ul style="list-style-type: none"> <li>• Effective strategic planning</li> <li>• Efficient structures + ways of working</li> <li>• Robust, effective business information systems and IT</li> <li>• Data driven decision making</li> <li>• Mature, rigorous and delivery assurance</li> </ul>
---	---	--	---

**Underpinned by our shared values and common purpose**

In September 2020 Mel Corish, Chief Strategy, Transformation and Innovation Officer, joined Hft to begin the vital work of leading Hft through a period of transformation to support our new Corporate Strategy.

Our new strategy continues our ambition for the best life possible for people with learning disabilities. We will focus on delivering outstanding quality and experience across our core areas, providing excellent homes, innovative care and support and increasing our impact and reach as a charity.

We will achieve our strategy through a combination of strategic delivery plans and an organisation wide transformation programme that will create a step change in Hft's capabilities. Our outline plans were shared with our Senior Leadership Team at a virtual away day in March 2021.

By working collaboratively with our staff teams and the people we support we will use their experience and insight to further develop our plans. Our aim is to drive an improvement in our financial performance, and increase our impact as a learning disabilities charity and provider of high-quality care and support and innovative homes.

The first stage of our transformation got underway in December, with the launch of Helix, our information systems and business process improvement programme.



## Helix

A dedicated internal programme team has been established, and together with our partner, Optimum PPS, they

have been working collaboratively with more than 150 colleagues from across Hft to build a detailed view of our current systems, and our vision for the future.

A network of Internal Subject Matter Experts (SMEs) are working closely with the team to inform the redesign process and contribute in identifying the best solutions for us. Helix will simplify and ease access to important service data and streamline our administrative processes, providing more time for our care and support colleagues to reinvest back into doing the job they love - providing quality support for the people in our care.

“Mobile care recording will allow us to really improve how people can be directly involved in planning their care. Staff will be able to work through and update each person's support plan alongside them, rather than having to rely on a computer back at their office base, with lots of new opportunities for people to play an active role in uploading photos, videos, and voice recordings. All of the people we support will also be able log in to their individual dashboard at any time, where they'll be able to see their personal plan, care record, and any upcoming support. Joe Deverall, Partnership Forum Lead

“I very much appreciate the time, commitment and contribution our people have given to Helix so far. It's been great to see the positivity and enthusiasm of colleagues from across Hft to get involved with this work and embrace our plans for the future.

I am looking forward to working with everyone over the next year as we move on to address other critical areas for our transformation including how we develop and grow awareness around our charitable status, and our expertise as a housing provider.

Mel Corish, Chief Strategy, Transformation and Innovation Officer

# Looking ahead



I am delighted to be concluding this year's Annual Review – my first as Hft's CEO – and would like to start by taking this opportunity to formally thank our incredible staff teams, volunteers and supporters for all you have done over this tumultuous year. You have played a pivotal role in supporting both the people in our care, and their families and carers throughout the pandemic.

Joining Hft through this time has meant I have been able to experience first-hand the true dedication and commitment of our teams to overcome everything that has been asked of them throughout the pandemic, to continue to provide the best possible care and support they can to the people they support.

I have particularly enjoyed the opportunity to virtually meet the winners of this year's Hft Heroes awards and hear first-hand from them about their experiences of supporting people during this time. From the discomfort and unfamiliarity of working in PPE, to the requirement to provide reassurance and emotional support to people who have been separated from their loved ones, to the need to find creative ways to keep the people we support connected with others – all have been new challenges they have had to overcome. Their determination and dedication have been both truly humbling and commendable.

We are grateful to staff teams for their flexibility as central offices closed and they moved to home working. We are reflecting on our learnings from this and consulting around how we can best work together in the future.

Despite the challenge of Covid-19 I am pleased that we've still been able to maintain our high number of good or above CQC quality ratings this year, although we are keen to continue to strive for excellence across all of our services. Our work to transform Hft is multi-faceted. We remain committed to and passionate about delivering our mission: the best life possible for people with learning disabilities. However, we also recognise the need to balance our focus on providing specialist housing and growing our impact as a charity, with continuing to provide high-quality care and support services. To achieve all of this requires us to be financially sustainable across all that we do.

The financial results for the year show a net movement in funds of (£129k) and an in-year cash surplus of £3.51m, and reflect the complexities we experienced. We managed to mitigate the worst of the financial impact of the pandemic, in terms of additional costs for e.g protective and support

equipment, and covered salaries for those who were sick or isolating, without having to furlough any members of staff.

The increase in our investment funds went some way to offset the delay in the sale of some of our surplus properties due to the pandemic. This will still be achieved in the longer term, and the cash position is not unduly impacted by this delay.

We have got off to a strong start in delivering our future plans, with our Helix programme spearheading the transformation of our internal systems and processes. Helix will ensure that we are fit for purpose for the future, ultimately delivering more time back to our staff teams to spend with those we support. Behind the scenes work is also underway to partner with colleagues and the people who we support to ensure we are structured for success and have in place great governance, outstanding people, organisational excellence and financial sustainability.

Our plans to involve Hft families more directly in our work unfortunately had to be postponed last year due to the pandemic, but the Hft Board, Executive Board and I remain committed to revisiting this and finding new ways to actively involve families in helping to shape our future direction.

2022 provides a unique opportunity to come together as we celebrate our 60th year; we have been fortunate enough to also enjoy the support and patronage of HRH Princess Anne for 40 years. We look forward to marking these important milestones over the coming year.

Thank you to everyone for their warm welcome to Hft. I am excited by the opportunity we have to make a real and significant change in transforming how we support people to live the best life possible, and to ensure we can meet our long-term aspiration of being a provider of choice for adults with learning disabilities. I look forward to continuing to progress this work with you all over this coming year.

*Kirsty Matthews*

Kirsty Matthews, CEO

## Reference and administrative details

### Royal Patron

HRH The Princess Royal

### Trustees

Amanda Bunce (Chair)

Briony Horvath (Vice Chair)

Mary Ann Champion

Lucy Pallett

Simon Jones

Brandon James (resigned 24.03.21)

Paul Morgan

John Devapriam

Hilary Schrader

Irfana Malik

Timothy Tamblin (appointed 27.05.21)

### Executive Management

Kirsty Matthews

(Chief Executive from 01.12.20)

Becs Gratton

(Chief Operations Officer from 27.07.20)

Chris Hughes

(Executive Director of Environments until 06.04.21)

Louisa McCann

(Chief Commercial Finance and IT Officer and Company Secretary until 02.08.21)

Jacqui Roynon

(Executive Director of People and Communications until 05.02.21)

Vanessa Edwards

(Director of Fundraising until 05.04.21)

Mel Corish

(Chief Strategy, Transformation and Innovation Officer from 28.9.20)

Kevin Moyes

(Chief People and Organisational Development Officer from 26.07.21)

Frances Genovese

(Chief Quality and Governance Officer from 18.07.21)

(Company Secretary from 02.08.21)

Chief Charity and External Affairs Officer (from 04.10.21)

Chief Commercial Housing Officer (from 11.10.21)

### Media

 [hft.org.uk](http://hft.org.uk)

 [Hftlearningdisabilities](#)

 [Hftonline](#)

 [Hft](#)

 [Hftlearningdisabilities](#)

 [HftTV](#)

### Principal Bankers

Lloyds Bank plc

Canons House

Canons Way

Bristol

BS1 5LL

### Auditors

RSM UK Audit LLP

25 Farringdon Street

London

EC4A 4AB

### Solicitors

TLT Solicitors

1 Redcliff Street

Bristol

BS1 6TP

### Investment Managers

Investec

2 Gresham Street

London

EC2V 7QN

### Registered Office

5/6 Brook Office Park

Folly Brook Road

Emerson's Green

Bristol

BS16 7FL

### Reference Details

HF Trust Limited often uses the abbreviation "Hft".

The company is registered charity number 313069.

The company is registered in England and Wales as company number 734984.

## Structure, Governance and Management

### Report of the Board of Trustees

The Board submits its Annual Report and the Financial Statements for the year ended 31 March 2021.

The Annual Report and Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Statement of Recommended Practice 'Accounting and Reporting by Charities' ('FRS102'), and the Charities Act 2011.

### Constitution and status

HF Trust Limited ("Hft") is a company limited by guarantee (registration number 734984) registered in England and Wales and a registered charity regulated by the Charity Commission (registration number 313069). The company's governing document is the Memorandum and Articles of Association dated 19 October 2019. Hft is a membership organisation and the liability of each member is £10. Trustees of Hft are either elected by the members or nominated and appointed by the Board of Trustees. Trustees are the Directors of the Company.

### Organisational structure and governance Board

The Board is made up of the Trustees of Hft appointed from the membership.

There are two categories of Trustee:

**a) Elected:** A minimum of four and a maximum of seven members who are elected by the Members. Each Elected Trustee is elected for a three-year term and can serve two terms in total. An Elected Trustee must then take a break from office for a period of one year and may only be appointed for a third or further period of office with the agreement of the Chair and the unanimous consent of the Board and re-election by the Members.

**b) Nominated:** A minimum of four and a maximum of seven members. Appointed by the Board for their expertise and can serve two terms in total. A Nominated Trustee must then take a break from office for a period of one year and may only be appointed for a third or further period of office with the agreement of the Chair and the unanimous consent of the Board.

In addition, a member can be co-opted by Board to fill a Trustee vacancy during the year. Co-opted Trustees, if they wish to continue, have to either seek election at the first Annual General Meeting after their appointment or shall be eligible for appointment as a Nominated Trustee by the Board following such Annual General Meeting.

The total number of Trustees cannot be less than eight or more than fourteen. The Board of Trustees meets at least 4 times a year, and also holds an Annual General Meeting for members. The Executive Board also attend the Board meetings, together with other members of the senior staff management team as appropriate.

Trustees cannot be members of staff and Trustees do not receive any remuneration or any other benefits from Hft other than payment of reasonable expenses.

The Trustee induction process ensures that each Trustee is provided with a thorough and comprehensive understanding of Hft, our history, our services and the world in which we operate. The induction programme is also designed so each new Trustee has a full understanding of their role, their legal and other responsibilities and is aware of the commitment required throughout their tenure. Trustee training is delivered through a combination of e-learning, formal training courses and face to face meetings. Trustees receive an annual appraisal with the Chair and undertake an agreed number of service visits with follow up reports.

## Board Committees

The Board of Trustees delegates some of its powers and functions to standing Committees, each of which covers specific aspects of the Trust's work.

Each Committee has its own terms of reference, and their reports and minutes are standing agenda items for the main Board meetings. Each Committee is chaired by a Trustee and is attended by appropriate senior members of staff. The Committees as at 31st March 2021 are as follows:

Operations Committee 'O'	At least 4 times a year	<ul style="list-style-type: none"> <li>Review current and proposed Government policy, standards and practice relevant to Hft</li> <li>Monitors the overall quality of the services delivered by Hft</li> <li>Review all aspects of Hft's resources, finances, properties, investments and people</li> <li>Oversees Hft's marketing strategy in response to the changing demands of the marketplace</li> <li>Oversees the current and proposed developments in Hft, ensuring Hft's on-going financial stability</li> <li>Review all aspects of the Trust's fundraising strategy and operations</li> </ul>
Nominations, Governance & Remuneration Committee 'N'	At least 3 times a year	<ul style="list-style-type: none"> <li>Ensures Hft has an up to date governance model, maximising the overall effectiveness of the Trust</li> <li>Responsible for the recruitment, evaluation, induction and on-going training of Trustees, with a prime objective of ensuring an appropriate balance of skills and experience on the Board of Trustees.</li> </ul> <p>All new Trustees undergo a detailed induction programme and sign up to a Trustees' Code of Conduct. Trustees participate in the detailed work of the Boards committees in line with their skills and experience.</p> <ul style="list-style-type: none"> <li>Regularly assesses on-going Trustee training needs and ensures these are met accordingly</li> <li>Reviews and determines the remuneration levels of the senior management of the Trust by regularly benchmarking remuneration levels with other similar organisations.</li> </ul>
Audit & Risk Committee 'A'	At least 3 times a year	<ul style="list-style-type: none"> <li>Responsible for reviewing Hft's Annual Report and Financial Statements prior to their approval by Board</li> <li>Oversees Hft's relationship with the external auditors</li> <li>Responsible for ensuring that Hft has adequate and appropriate systems of financial control</li> <li>Oversees internal audit and risk management both financial and non-financial</li> <li>Regularly reviews and updates Hft's risk register</li> </ul>

Other committees and working parties are established from time to time, in order to address specific issues (for example pensions and investments). In addition, the Voices to Be Heard Advisory Group (V2bH) meets three times a year.

The Trustees who have served on Board and its Committees during the financial year and at the date of this report are:

Name	Committees	Status	(Re) Appointed	Resigned
Amanda Bunce (Chair)	N	Nominated	01/02/2018	
Briony Horvath (Vice Chair)	A, N	Elected	19/10/2018	
Mary Ann Champion	O	Elected	19/09/2021	
Lucy Pallett		Nominated	25/06/2020	
Simon Jones	A	Elected	20/10/2017	
Brandon James	O	Nominated	01/11/2018	25/03/2021
Paul Morgan	O	Elected	19/10/2018	
John Devapriam	O	Elected	20/06/2019	
Hilary Schrader	N	Nominated	19/09/2019	
Irfana Malik	A, O	Nominated	19/09/2019	
Timothy Tamblyn		Nominated	27/05/2021	

In May 2021 the Board of Trustees adopted the Charity Governance Code. Over the next 9 months a number of governance changes will be made to ensure we comply to the Code by the 31st March 2022. These changes will include enhancements to the risk management framework recruitment of new trustees to plan for succession and to enhance the skills and knowledge of the Board; revised governance policies to further ensure our probity and transparency objectives can be met; a revised committee structure to support the Corporate Strategy outcomes and governance resource to imbed the changes.

### Operational structure

Operational management of service delivery is focussed through four geographical divisions into twenty-six regions made up of clusters of operating units which provide care services. Housing services are provided centrally along with all other support services. Fundraising operates as a separate division within the same corporate structure.

### Related parties and subsidiaries

At the balance sheet date and throughout the year, Hft had two active, wholly owned subsidiary companies, which are both incorporated in the United Kingdom. Hft Trading Limited undertakes non-primary purpose trading activities, whilst Hft Property Limited has made no commercial transactions during the year.

In addition, Hft is the parent company of Luv2meetU Community Interest Company, which is incorporated in the United Kingdom and undertakes the activities of the friendship agencies.

## Gender Pay Reporting

UK employers have until 4 October 2021 to report their data for 2020 to 2021 because of coronavirus (Covid-19). However, Hft has chosen to publish ours earlier than the deadline so that the information can be included in our annual report.

This report provides a snapshot of our gender pay data as of 5 April 2020. At that time, our total workforce consisted of 819 men and 2,452 women, meaning we employed around three times as many women as we do men – a circumstance that is not unusual in the social care sector and has not significantly changed since we started gender pay gap reporting in 2017.

## Hourly pay

### 1. Mean gender pay gap in hourly pay

The mean gender pay gap in hourly pay is the average hourly rate of pay, calculated by adding the hourly pay rate for employees then dividing by the number of employees.

Based on the mean (average) hourly rate of pay for male and female employees in the relevant pay period, our mean gender pay gap is 4.7% (women lower).

According to the Office for National Statistics, the gender pay gap among all employees was 15.5% in 2020, down from 17.4% in 2019.

While Hft is not complacent about gender and pay, we note that our 4.7% gap is approximately a third of the size of the national gap.

### 2. Median gender pay gap in hourly pay

The median gender pay gap in hourly pay is the middle hourly pay rate, when you arrange your pay rates in order from lowest to highest.

Based on the median (middle) hourly rate of pay for male and female employees in the relevant pay period, our median gender pay gap is 0.1% (women higher).

As mentioned above, Hft is not complacent about gender and pay, but we consider that 0.1% is not a highly significant gap.

## Bonuses

Bonuses do not play a significant part in Hft's reward strategy. This approach is not unusual in social care.

Where bonuses have been paid they have mainly been awarded in recognition of the long service of our fantastic and committed colleagues and are used to encourage and reward their loyalty.

### 3. Mean bonus gender pay gap

Based on the mean (average) bonus pay for male and female employees in the relevant pay period, our mean gender bonus gap is 3.5% (women higher).

### 4. Median bonus gender pay gap

Based on the median (middle) bonus pay for male and female employees in the relevant pay period, our median gender bonus gap is 0% (no difference).

### 5. Proportion of males and females receiving a bonus payment

The proportions of male and female employees who received bonus pay during the relevant pay period are as follows (percentages are rounded to one decimal place):

**Male employees: 0.6%**

**Female employees: 2.1%**

### 6. Proportion of males and females in each pay quartile

The following table separates our entire workforce into four 'quartiles' (parts) based on the salaries that are paid to these employees. These quartiles are then further broken down into the number and proportion, expressed as a percentage, of male and female employees in each one:

Quartile	Male	Female
A (upper)	24.58%	75.42%
B (upper middle)	22.73%	77.27%
C (lower middle)	24.42%	75.58%
D (lower)	29.45%	70.55%

## Appointment of New Role: "Employee Experience Partner"

In April 2021 Hft appointed to a new role of Employee Experience Partner to shape, lead and deliver our commitment to enhanced employee experience and engagement. The role's responsibilities for Diversity and Inclusion include, but are not limited to:

- Work with key stakeholders, consulting with our Partnership Forum and colleagues across Hft to identify and highlight structural barriers which may lead to disadvantage
- Consider, develop and implement a diversity and inclusion strategy
- Provide diversity and inclusion advice in review and implementation of organisational policies and procedures
- Report on, review and monitor key workforce demographic data within Hft
- Work closely with stakeholders to consider and mitigate for disadvantage during change programmes
- Work with the Recruitment team to review data regarding new starters and recruitment processes to remove barriers and deliver equality of outcome for applicants
- Champion continual positive change and work with stakeholders to embed the principles of diversity and inclusion across Hft.
- Organise and participate in all people process and policy Equality Impact Assessments

## Information systems and ways of working:

Hft continues our organisation-wide programme to transform our information systems and ways of working. This transformation programme will give us:

- Modern, user-friendly systems
- Reliable and trustworthy data and insight
- Standardised and joined-up processes
- More time back to do what we do best – providing support

The people workstream of this transformation will enhance our ability to gather and report on people data – including on gender and pay.

## Structural Fundamentals:

Since the last Gender Pay Gap Report, Hft has initiated a "Structural Fundamentals" programme which includes the development of a job matching framework, benchmarking and reward strategy. These measures provide further opportunity for us to equality proof our pay arrangements.

## Equality and Diversity Policy

Hft's policy states that;

**“We value people equally without discrimination with regard to gender, sexual orientation, age, race, beliefs, culture, chosen lifestyle or disability. This approach applies to the people we support, their families, Hft staff and others with whom we have contact.**

We ensure that the policy is implemented through clear statements in our recruitment advertisements and reinforced in the induction training. Specific training is given to any member of staff in a managerial or recruiter position ensuring that they are aware of the law and Hft's policies.

There are policies in place to:

- Give full and fair consideration to applications for employment with Hft made by disabled persons having regard to their particular aptitudes and disabilities
- Continue the employment of, and arrange appropriate training for employees of the company who have become disabled persons during their employment
- Support the training, career development and promotion of disabled persons employed by the company

## Employee Consultation

Hft entered into a Partnership Agreement with all employees in 2013. The purpose of the Agreement is to provide a framework for the Management and the Employees to participate in joint planning and decision-making processes, working as partners to jointly drive the organisation forward and solve problems. The parties in the Agreement have given a commitment to work together to promote

a positive and effective relationship with the following principles;

- Joint commitment to the success of the organisation
- Joint recognition of each other's legitimate interests
- Joint commitment to employment security
- Joint focus on the quality of working life
- Joint commitment to operating in a transparent manner
- Joint commitment to add value to the arrangement

The implementation of the Partnership Agreement is facilitated through the Partnership Forum. Representatives from all areas of the organisation receive training and support to act on behalf of all employees at a local or national level.

### Modern Slavery Statement

The Modern Slavery Act 2015 came into force on 29 October 2015 and introduced changes in UK law focused on increasing transparency in recruitment and supply chains. It sets out a duty on larger organisations to publicly report steps they have taken to ensure their operations and supply chains are trafficking and slavery free. As such any organisation, including charities, which supply goods or services and have a minimum annual turnover of £36 million, are required to produce an annual Anti-Slavery and Human Trafficking Statement that is approved at the highest level in the organisation and is made available on the organisation's website. Our statement can be found at:

[www.hft.org.uk/ModernSlaveryActStatement](http://www.hft.org.uk/ModernSlaveryActStatement)



Frank with a beautiful array of wild flowers he'd picked to cheer his home up.

## Strategic Report: Objectives, Activities and Public Benefit

### Aims and objectives

Hft's principal objectives, as stated in the Memorandum and Articles of Association, are as follows:

- To enable and support people with learning disabilities to experience fulfilling lives in ways which maximise their involvement in the community and participation as citizens, and to exercise choice.
- To offer advice to and support for those who care for people with learning disabilities.

### Principal activities

The principal activities of Hft in support of these objectives are as follows:

- The care, support and personal development of adults with learning disabilities provided in supported living and residential settings, and both building-based and home-based day services.
- The delivery care based on what a 'best life possible' looks like and all the support we offer is aimed at helping to live with more independence and choice; excellent person-centred support, ensuring we provide quality services that are continually improving through feedback from the people we support, their families and our Involvement team.
- The provision of housing solutions for the people we support; tenancies in flats and shared houses for those in supported living and comfortable, safe spaces for residential houses.

In addition to the funded activities, as a Charity Hft chooses to provide enhanced opportunities for adults with learning disabilities through fundraised services:

- The Family Carer Support Service (FCSS) is available for any carer to access (free of charge), and provides online and telephone help, support and signposting for carers, together with other resources, such as guides to new care legislation and guides to state benefit changes.
- Through DFN Project SEARCH we support training opportunities to support people into internships and employment

- Our Personalised Technology service provides consultancy, advice and equipment to improve safety, and quality of life



### Public benefit

Hft's Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives, and in developing plans for future activities.

Hft is committed to using a combination of fundraised money and reserves in order to fund the vital charitable services and projects which are provided, over and above the day-to-day delivery of care services on behalf of local authorities.

The three principal projects which fall under the charitable projects umbrella are the Family Carer Support Service (see above); Personalised Technology and the Luv2meetU project (see note 6).

# Achievements and Performance

## Strategic plan and key drivers

Hft's aspiration is to be a leading provider of adult learning disability services in the UK. We want the best life possible for all of the people we support and to achieve this we recognise that efficiency and productivity continue to be critical, and that investment in staff and technology are key to long-term sustainability.

Our latest published strategic plan runs from 2020 to 2024 and whilst the key drivers remain relevant, the pandemic has changed the face of the sector we work in, and our organisation, and has produced challenges and opportunities which we could not have foreseen when we committed to the plan in 2020. With the arrival of a new CEO in December 2020 the strategy is under review to ensure that it remains robust to future challenges and maximises emerging opportunities.

Our statements reflect progress against the published strategy, with notes on the impact of the pandemic on that progress.

## Get the basics right

We will 'get the basics right' for all our service delivery to deliver and evidence both the best life possible for all those we support.

We ended this year with 90% (2020: 89%) of our CQC services rated as good or outstanding, despite the significant challenges which the organisation faced.

Throughout the year we continued to deliver care and support in over 80% of our services with limitations only in day operations and even there we provided home based support and respite where possible. We mobilised quickly to ensure that the people we support and our staff were safe and implemented emergency protocols with the cross-functional pandemic committee. The committee coordinated the activity related to government initiatives and proactively managed the significant requirements for protective equipment across our national services. As a publicly funded organisation, we did not furlough staff, and through staff flexibility and detailed

planning we maintained safe services despite staff shortages through isolation and illness.

## Financial sustainability

Our organisation will be financially sustainable through the delivery of funded services and housing. We will invest in the processes, systems, culture and capability to ensure we are robust to a low fee and rising wage environment.

Operating contribution increased from the previous year despite fee stagnation and additional pressure from the increase in national living wage and inflation. Without the impact of the pandemic the financial results from the delivery of care would have been worse given the savings which were made in agency fees compared to the previous year. The ability to mobilise employees across the organisation reduced the cost burden by c.£3m in the year.

We continued the work we had started on the turnaround of financially underperforming services and, specifically, saw an increase in contribution from the closure of a large service in Oxford. There is further work to prepare the site for disposal in coming years, to provide funds for growth and expansion.

There was no agenda for growth during the year, and the time taken to fill voids increased due to lockdown measures.

The natural reduction in overheads through reduced travel has prompted a review of how and where we deliver our centralised support services, and contributed £0.8m in cost savings during the year.

## Recruitment

We will develop and retain the skills, processes, resources and systems to be able to recruit, train, motivate, deploy, reward and retain staff to exactly fulfil our contracted services in an optimal way.

Following the announcement of the first lockdown in March 2020, we were able to adapt our

recruitment processes, maximising the use of social media and other digital platforms to attract and source candidates and allow us to interview remotely. Our full-time equivalent (FTE) vacancies coupled with spend on agency staff dropped considerably as we saw an upturn in applications during a time when social care roles were resilient in the face of redundancies in the retail and hospitality sectors.

## Systems development

We will optimise our central support functions to gain data and insight from our systems and achieve the productivity gains they offer.

Our ambition has grown in the year and we are undertaking a holistic systems, process and culture review and transformation project in order to deliver on this objective. We recognise a historic underinvestment in our infrastructure and the need for improved efficiency to remain competitive within the available fee structure.

## Complex Behavioural Needs services

Our aim is to deliver consistent and sustainable services for those with complex behavioural needs. This ambition has been put on hold during the pandemic as it would require significant planning for the development of community services which can be financially sustainable. The Transforming Care programme has highlighted the inherent difficulties in creating these services and we will now research potential support models based on the future governmental strategy.

## Growth Opportunities

We will continue to focus on growth opportunities.

There has been little opportunity for growth during the year and increased pressure on existing services, especially day opportunities. We are reviewing the delivery of Care and Housing to understand where we have strengths which we can use for growth and what other specialisms we can grow.

## Property management

We will be excellent at acquiring (buy or lease), designing, constructing, managing, maintaining

and only where necessary exiting and /or selling property.

During the year;

- our like-for-like housing income rates have been increased, as every year from 2016 by Retail Price Index (RPI) +1.
- we have disposed of several properties in the year where they are no longer sustainable.

## Campaigns

As an organisation informed by professional and lived experience, we have continued to engage with decision makers in Westminster to raise issues impacting the social care sector and people who have learning disability in order to affect change.

This includes:

- The publication of our 2021 Sector Pulse Check report. This provides an annual snapshot of the financial health of the social care sector over the past year as well as other key issues faced by providers. It provides Hft with a valuable source of original data with which to carry out our public affairs and policy work. As a result of the report:
  - Our research has been referenced in two Early Day Motions. One highlighting the impact of the pandemic on the mental health of the social care workforce, and another illustrating the impact of the digital divide on people with a learning disability with respect to loneliness and isolation. This is a helpful parliamentary mechanism to raise our awareness among decision makers, identify who is interested in particular issues and give reason to follow up and develop relationships with them.
  - This data has been used to respond to a number of Government consultations and Committee inquiries including the Health and Social Care Inquiry into workforce burnout in the NHS and Social Care.
  - We have been asked to contribute to reports and roundtables hosted by the Public Policy Projects and the UCL International Public Policy Observatory.
  - We have been invited to meet with 4 MPs and Peers.

- The establishment of the Walk In Our Shoes Group. The group is made up of people we support who are interested in speaking up and making changes for people who have a learning disability and will have the opportunity to be involved with the design and delivery of our public affairs and policy activities. For example, ahead of the local elections in May the group encouraged other people with learning disabilities to vote and were involved with producing an accessible video explaining what the local elections were and how to vote.

- Working alongside other organisations as a member of the Care and Support Alliance to highlight the need for social care reform to decision makers in Westminster.

### Fundraising

We will maximise income to support activity designed to provide the best life possible for the people we support. In the year, Hft's Fundraising department continued to secure philanthropic funds from a range of supporters to support its work and to enhance the lives of thousands of people with learning disabilities.

We aim to comply with all standards set by the Fundraising Regulator in its Code of Fundraising Practice and have a quarterly review to measure our compliance with the Code. In particular, where professional fundraisers and fundraising agencies are engaged and working on our behalf, we ensure that the solicitation statements are in place and that their activities are monitored. We also adhere to the Code as it relates to treating people fairly and, in particular vulnerable adults, to ensure that they may be protected and not subjected to unreasonable pressure to give a donation.

The Operations Committee also reviews our fundraising activity at regular meetings to ensure we are acting responsibly within fundraising regulations, particularly relating to vulnerable adults. They also monitor the performance of fundraising activity to ensure we deliver value for money for our supporters. We value our relationship with supporters and donors and are therefore pleased that the year saw only 12 complaints about our fundraising activity which is a reduction on previous year.

We would like to express our thanks to the following organisations, trusts and individuals who have supported us in the year to 31 March 2021, as well as those who prefer not to be named:

**Belron® Ronnie Lubner Charitable Foundation**

**David and Sandra Lee**

**The Gladstone Family**

**The Hadley Trust**

**The Healy Family**

**The John Apthorp Charity**

**Sir Stuart Hampson CVO DL**

**Mr Nigel Doggett**

**Mr Richard Price MBE**

**Mr Richard Barber MBE**

### External factors

The year was dominated by the impact of Covid-19 on the country, to the extent that the final withdrawal from the European Union made little impact on the organisation.

Hft nationally does not have a reliance on non-British EU staff, and our concern was that industries such as retail and hospitality would attract social care staff with higher wages once their EU staff had left. The result of these industries closing during the pandemic was a temporary increase in available staff, and a temporary masking of the impact of Brexit on recruitment and retention. As lockdown eases and hospitality opens up we are starting to see pockets of recruitment challenge.

The Covid-19 pandemic challenged the organisation nationally, and particularly early on in residential services when available support was limited and government policy was unclear. The Hft Pandemic Response Committee monitored sickness in people we support and staff from the start of the pandemic and met daily to provide cross-functional support, resources and solutions to the care delivery teams. For several months Hft ran with 85% of staff delivering 80% of commissioned services with closures of day services the most significant contraction, however, this led to a significant saving in agency costs and an increase in underlying financial performance.

Other impacts of Covid-19 include the delay in disposing of a number of surplus properties, which were delayed into FY 21/22. Conversely, the start of the year saw a bounce-back in the value of the investment portfolio and the year-end value was £1m higher.

Pressure on local authority finances limited their ability to fund the full impact of the NLW increase in April 2020 which increased support worker pay and on costs by 6.2%, the average fee increase from 119 local authorities was 3%, further increasing the pressure on margins and forcing the reduction of non-core services, such as the Appointeeship service which closed at the end of the year.

As at the end of the year the final verdict from the appeal for the National Living Wage Sleep In case was received which confirmed that there would be no liability to 6 years of back pay for sleep ins as working time. Given the increased burden of unfunded increases in NLW this reduced pressure on cash flow at a difficult time.

### Investments

The value of Hft's investments outperformed the benchmark this year. The Investec portfolio closed the year at £6m; a gross return of 17% on the year, compared to a benchmark return of 15.34% and the income yield was 2.25% for the year. The Brewin Dolphin portfolio closed the year at £813k; a gross return of 27% on the year, compared to a prior year gross return of -21.35% and the income yield was 3.05% for the year. Hft has a prudent investment strategy which balances potential returns with an appropriate level of risk.

### Environmental policy

Hft is fully committed to safeguarding the environment. In this respect it will specifically endeavour to:

- Encourage the reduced consumption of natural resources and energy. This is achieved through a rolling capital improvement programme addressing both building fabric and installed plan and equipment upgrades where economically viable.

- Operate a Purchasing Policy that avoids the use of environmentally damaging products whenever feasible.
- Prevent environmental pollution arising from its own operations.
- Try to safeguard natural habitats and species and preserve the nature and character of the countryside and gardens and grounds associated with our built environment.
- Provide information and support to both the service users and staff to encourage interest in environmental matters, and soon proposed mandatory staff energy awareness training.
- Continue to employ a part time Energy Manager.
- Encourage economical and environmentally sound use of its vehicles, this is continually reviewed through policy, which has set reduced benchmarks for company vehicles in terms of harmful emissions allowances from 160g/km to 131g/km in the last 5 years.



Dave - looking after his vegetable patch.

## Carbon policy

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2020 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The operational control approach has been used.

The table below summarises the GHG emissions for reporting year: 1st April 2020 to 31st March 2021.

As a business, we have been assessing our carbon emissions since 2019 and have provided this baseline year and last year's assessment results for comparison.

Scope	Activity	Location-Based tCO <sub>2</sub> e	
		2019/20	2020/21
Scope 1	Site gas	996.50	933.58
	Refrigerants	-	98.34
	Company car travel*	292.71	96.30
	Vehicle fuel usage	160.33	87.88
	Site LPG	116.41	80.83
<b>Scope 1 Sub Total</b>		<b>1,565.93</b>	<b>1,296.64</b>
Scope 2	Electricity generation	490.82	366.12
<b>Scope 2 Sub Total</b>		<b>490.82</b>	<b>366.12</b>
Scope 3	Cash-opt out car travel	76.44	-
	Electricity transmission and distribution	41.67	31.49
	Well To Tank	-	232.08
<b>Scope 3 Sub Total</b>		<b>118.11</b>	<b>263.56</b>
<b>Total tonnes of CO<sub>2</sub>e</b>		<b>2,174.86</b>	<b>1,926.62</b>
<b>Total tonnes of CO<sub>2</sub>e per employee</b>		<b>3.03</b>	<b>2.58</b>
<b>Total tonnes of CO<sub>2</sub>e per £M turnover</b>		<b>25.64</b>	<b>22.15</b>
<b>Total energy consumption (kWh)**</b>		<b>7,340,409</b>	<b>6,647,796</b>
<b>Intensity ratio: tCO<sub>2</sub>e (gross Scope 1 &amp; 2, location-based) per £M revenue</b>		<b>24.25</b>	<b>19.12</b>

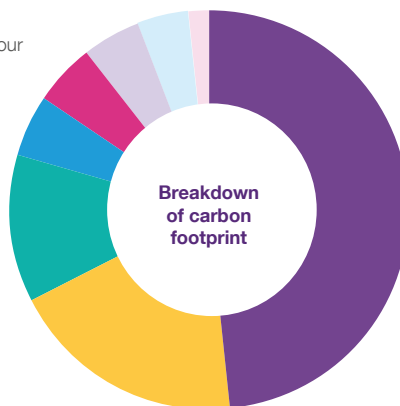
\*In the 2020/21 assessment the mileage distribution between company leased cars and cash-opt out car mileage claims is not known due to a staff member unexpectedly leaving the company. To account for this all mileage has mileage for 2020/21 has been categorised as scope 1 company car travel.

\*\*Total Energy Consumption includes UK Electricity, UK Site Gas, Company Owned Vehicles and Employee-owned vehicles (grey fleet).

We are delighted to be able to show we have reduced our greenhouse gas emissions by 11.4% since last year.

## Percentage contribution of each element of Hft's carbon footprint

- Site gas 48.5%
- Site electricity 19%
- Well to Tank 12%
- Refrigerants 5.1%
- Company car travel 5%
- Vehicle fuel (Minibus) 4.6%
- Site LPG 4.2%
- Electricity transmission & distribution 1.6%



## Internal Controls Statement

The HF Trust Limited (Hft) Board has overall responsibility for establishing and maintaining the whole system of internal control for Hft and its subsidiaries and for reviewing its effectiveness.

The Hft Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of Hft's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which is embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which Hft is exposed and is consistent with Turnbull principles.

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes the items listed below.

- Identification and evaluation of key risks
- Management responsibility has been clearly defined for the identification, evaluation and control of risks.
- There is a formal and ongoing process of management review in each area of Hft's activities.
- The Executive Board regularly considers and receives reports on significant risks facing Hft and is responsible for reporting any significant changes affecting key risks.
- The Audit & Risk Committee has responsibility for monitoring progress to mitigate risk
- Each Committee of the Board in its area of responsibly considers risk, provide challenge and instruction to the Executive, and where appropriate escalates risks to the Audit and Risk Committee and to Hft Board.

The Covid-19 pandemic is an unprecedented global emergency which Hft, the people it supports and our staff will continue to be affected by. Hft maintained safe service delivery to the people supported throughout this period and will continue to monitor closely, and adapt working

practices as required. The long-term impact on the care and support sector, the people supported and staff is still unknown.

In Autumn 2020 Hft commissioned a governance review by independent advisors Campbell Tickell. As well as providing a robust view of Hft's governance, it considered the risk management approach. As a result of the advice, an improvement plan was resourced that will, when the actions are embedded, provide a strengthened governance and risk framework that will support delivery of Hfts corporate plan and make it more robust in facing the future challenges that working in the charitable care and support sector brings.

Key improvements include:

- a three line of defence risk and assurance model has been adopted
- risk heat maps and corporate level risk register in place
- appointment of internal auditors, Crowe LLP, who will support the assurance program
- development of departmental risk registers
- a clear risk appetite statement from the Hft Board is being developed
- priority of actions against that risk appetite will inform the priority of the risk mitigations
- clear action and assurance plan to monitor risk management which the Audit & Risk Committee monitor
- quarterly assurance statements from each Chief Officer to confirm the position of their departments risk and mitigations
- addition of specific substantive roles to support the governance and risk function including a Head of Governance & Risk role.

As a commercial business, providing care, support and housing to people while being a registered charity, Hft operate with a number of themed risks being managed at the Corporate level.

The main threats to the business are all linked and are impacted by each other. They are within the themes of our people; keeping the people supported safe and satisfied; and the ability to remain and improve commerciality.

The Board confirms there has been no breakdown in internal control resulting in material losses, contingencies or uncertainties which would require disclosure in the financial statements during the year.

## Principal Risks

### Our people:

Risk for Hft	Action we are taking
Failure to recruit, retain and invest in a talented, safe and engaged effective workforce	<p>The success of mitigating this risk impacts on all other risks: If the right staff cannot be recruited with the right competencies, it will have a direct impact on Hft's ability to deliver good services to the people supported; increase the risk of safeguarding issues and regulatory action; and Hft will fail to realise the benefits of the transformation program. Systems can be replaced – but if staff do not use them the benefits will not be realised. Capacity must be built in leadership to support the culture changes required to deliver the corporate plan.</p> <p>Disengaged staff pose a threat to Hft's business: both in delivering the care and support and protecting the people supported; but also, in delivering the change program put in place and protecting Hft's reputation. Programs of change are being put in place to address this through the People Strategy, however leadership development, talent program, recruitment and performance management have to improve so Hft can deliver the changes required and prevent multiple points of failure across the business, for example in payroll processing, and a lack of succession planning in senior roles.</p> <p>The impact of the mandatory vaccination legislation (which may include flu jab) risk is growing and it will also affect 3rd party suppliers of staff as well as Hft's own resources which are already under stress. Hft has a culture of using agency provided staff- the risk that agency providers will also be unable to meet staffing requirements in care and support is growing.</p> <p>The People Strategy which is being developed will underpin everything Hft need to achieve. The transformation projects that deliver the people strategy outcomes are approved, resourced and being monitored. As this develops Hft are in a good place to be flexible to meet the changing requirements of our transformed business and the changing external labour market.</p>



Gardening in a Cornish allotment.

## Keeping the people, we support safe and satisfied:

Risk for Hft	Action we are taking
Failure to manage a serious incident	<p>An incident could take the form of a worldwide pandemic; a cyber-attack that brings systems down, or a localised incident effecting one or more of the people supported either in the care and support setting or a landlord compliance safety event.</p> <p>In response to the pandemic, Hft enacted Business Continuity Plans, and established a Covid-19 response group, which continues to closely monitor and respond, considering government guidance, to ensure the safety and wellbeing of customers and staff, while still delivering core services.</p> <p>Like many providers of care and support, when the pandemic hit, Hft had to adapt quickly to address serious and immediate risk to staff and the people supported. The impact of this is not yet fully clear in both a national and Hft sense, however Hft have learned many lessons over the last 18 months and plan to capitalise on that learning through a planned review and test approach, take those lessons and test, based on risk factors, the entire business continuity approach. This is not limited to a pandemic; Hft will be ensuring over the next 12 months that key systems are recovery tested, that priorities for managing an incident are clear, and that there is an effective communities plan in place, both internally and externally to ensure Hft can continue to operate under pressures whatever the cause.</p>
Insufficient investment in property	<p>Hft have commissioned a stock condition survey which will be completed by October 2021 to inform both the compliance position and the future investment requirements of homes to ensure they are both fit for the future and meeting the needs of the changing customer group. This will inform plans to reduce responsive maintenance and increase the focus and spend on planned maintenance, while addressing any action required to address the Building Act.</p>
Services to the people we support are of poor quality	<p>Hft are developing a new operating model and the delivery within that model will support greater customer satisfaction, compliance to legislation and the ability to deliver good services. Hft have an internal Quality and Assurance Team that carries out inspections against the CQC regulations and provides improvement plans to the care &amp; support services. That service will be capitalised upon, expanded so the learning and compliance aspects of this service to help enable the improvements set out in the program to deliver the Corporate Plan.</p>
Poor governance leads to Regulatory breach and reputational damage	<p>Effective decision-making and strong controls are crucial for maintaining Hft strengths into the future. As a registered charity Hft is required to work within charitable aims. Having recently adopted the Charity Code of Governance, Hft are making changes to the governance framework that will not only allow it to meet the requirements, but to exceed them and make it fit for the future. This work will take around 9 months to complete by which time Hft will have an assured framework for governance and risk that will support achievement of all objectives.</p> <p>The Board has a policy on fraud covering prevention, detection and reporting of fraud and the recovery of assets. A register is maintained of any frauds or potential frauds. The Audit and Risk Committee have responsibility to review the fraud register at each meeting and has taken the results of these reviews into account in its report to the Board.</p> <p>Hft seek to maintain the highest standards of ethics and integrity in the way it conducts business. Hft recognise that bribery and corruption, in all its forms, is illegal and unacceptable. The bribery policy statement has been integrated into the code of conduct and the gifts and hospitality policy.</p> <p>To resource our approach to governance, new posts have been introduced into the substantive structure: a Chief Quality and Governance Office role, along with 3 other support roles to support the frameworks across the business.</p>

**Being commercial:**

Risk for Hft	Action we are taking
Liquidity	Hft has no long-term borrowings, and makes use of short term over draft facilities. There are pressures on liquidity over time as Hft moves through a large-scale transformation program, analyses the investment required in stock to meet the outcome of the stock condition survey being undertaken, compliance requirements and to meet changes in government policy as a result of the building act and address government policy changes in social care. These cost impacts linked to objectives for growth in the longer term, and the commercial risks outlined below means this risk is constantly under review.  If necessary Hft can access the unencumbered assets and use its investment portfolio to support objectives. However, focus remains on being commercially astute and preparing the business long term to meet the costs pressures and risks.
Commercial risks	The fees Hft received from the Local Authorities are set by agreement with accessed hours and Local Authority framework hourly rates. Cost are then fitted within this income envelope. Costs are principle salaries based on prevailing market rates. This income envelope is squeezed by both upward costs pressures, the pressure on care and support services to deliver wider social outcomes and the local authorities' financial positions a result of Covid and other government policy changes.
External policy changes impact the Hft business model	The external political situation is volatile and Hft works with a wide range of public bodies and will continue to monitor the evolving political landscape closely.  This is an opportunity risk that Hft intend to exploit. Linked to mitigation in the medium term is the ability of the Innovation Hub to deliver the business development (growth) plan. Over 21/22 the groundwork will be prepared, analysing competitor intel, researching new opportunities and alternative ways of working including tech innovation that will create new service offers and robust information to enable decision making. Delivery of the outcomes is due from 22/23.  Additional resource has been applied in this area with both a Chief Strategy, Transformation and Innovation Officer and a Chief Charity and External Affairs Officer and associated resources roles placed into the executive.

**Directors' and Officers' Liability Insurance**

The group has insurance to cover Trustees' and Officers' liability to the value of £10m, as permitted by the Companies Act 2006 at a cost of £13k (2020 £13k).

## Consideration of Directors Responsibilities

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

**The likely consequence of any decision in the long term**

Our strategic objectives as part of a long-term strategy to improve the lives of people with learning disabilities both now and in the future. We review external developments and policy, and horizon scan for future trends, and ensure that our plans can be adapted as needed to meet changing circumstances and ensure sustainability.

**The interest of the company's employees**

Our employees are vital to Hft and we regard on-going, regular engagement with them as a top priority. Employee engagement is important to us at Hft. We have recently invested in a new role of Employee Experience Partner to shape, to help lead and deliver our commitment to enhanced employee experience and engagement. We involve the Partnership Forum at early stages in decision making and they meet regularly with the Executive team and the Trustees to share thoughts, plans and opinions. During the year they are consulted and their approval accredited on new policies, the pandemic, strategy, wellbeing, retention, face to face training and employee awards.

**The need to foster the company's business relationships with suppliers, customers and others**

Our relationship with partners, funders, suppliers, local authority commissioners, the people we support and their families are key to our effectiveness. We work with them closely to develop mutually beneficial relationships.

**The impact of the company's operations in the community and the environment**

We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. More information on how we care for the environment can be found in our Carbon Policy.

**The desirability of the company maintaining a reputation for high standards of business conduct**

Our reputation and public trust in Hft is fundamental to our future success. We use our organisational values and behaviours in our requirement for and training of both employees and volunteers to ensure that we maintain high standards. We lay out our expectations within our staff code of practice and discuss performance during supervisions, continuing conversations and appraisals. Our procurement and ethical policies and procedures ensure that our values also are a key part of our selection of partners and suppliers. We are regulated by the Care Quality Commission and the Charity Commission and our CQC results are publicly available.

**The need to act fairly as between members of the company**

We aim to be a fully inclusive organisation which is relevant and accessible for anyone with a learning disability, their families and our staff. We will not unfairly discriminate against anyone.

# Financial Review

The financial year was dominated by Covid-19 and managing the impact on staff and the people we support.

At the start of the year we took a decision that we would not furlough our staff and that they would continue to support our beneficiaries, and this applied to all direct staff and those in supporting roles. Like many organisations we moved swiftly to enable safe working environments for those delivering services and working from home. We invested heavily in PPE and Covid-19 related services, all of which was covered through a number of Government funded schemes and had little financial impact on the organisation.

Throughout much of 2020 the staff availability fell below 85% with a significant number of staff having to shield for health or sickness reasons. The remainder of our staff were flexible in working to cover services and ultimately the lack of reliance on agency staffing delivered a significant saving to the organisation. The underlying issues with staff recruitment did not worsen with Brexit, and the availability of staff from hospitality eased the recruitment issue further. With the lessening of restrictions and the opening of the hospitality and retail sector there are signs that the underlying recruitment challenges are returning in 2021.

The pandemic did impact the capital disposal programme so that property sales were delayed until the start of the current financial year, however the restrictions on movement and the difficulties in acquiring materials and contractors meant that the investment levels were similarly reduced in the housing portfolio.

There remain significant challenges in the funding of Care services which are subsequently reliant on being subsidised through other profitable channels and we continue to review the hourly rates and weekly fees to ensure that we can continue to provide sustainable services, as well as challenging ourselves on costs and overheads.

## Income

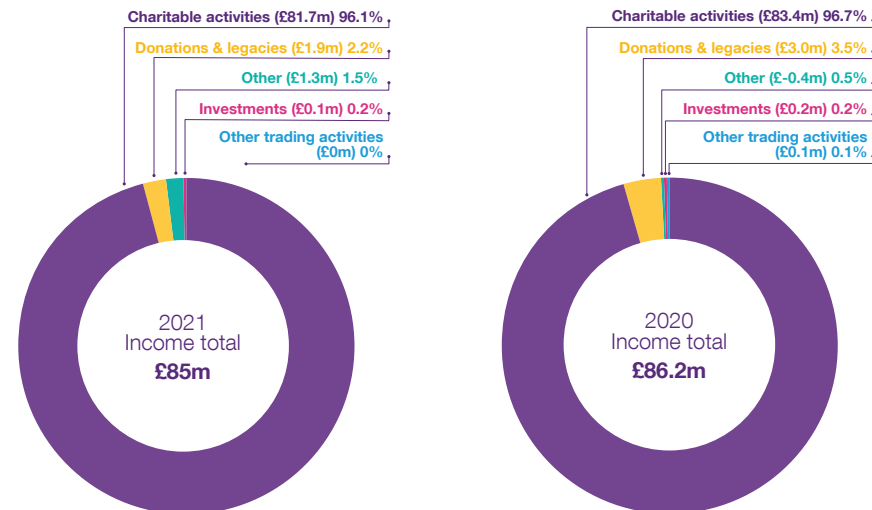
Income from charitable activities includes service fee income, special projects and community interest company income. In addition to this are trading activities, fundraising, and investment income.

Total income from organisational activities decreased to £85m (2020: £86.2m) with increases in fees, reductions in donations and legacies offset by a loss on the disposal of asset in the year of £0.1m (2020: £0.5m).

Fee income from the provision of care services to Local Authorities in the UK in the year of £81.7m represents a decrease of 2.1% on 2020: £83.4m. The reduction reflects the full year impact of new and closed services from the previous year and services opened and closed in the year, together with fee uplifts received during the year. Fee income delivered 96.1% of total income compared to 96.7% in 2020.

Income from donations and legacies of £1.9m reduced by £1.1m on the previous year.

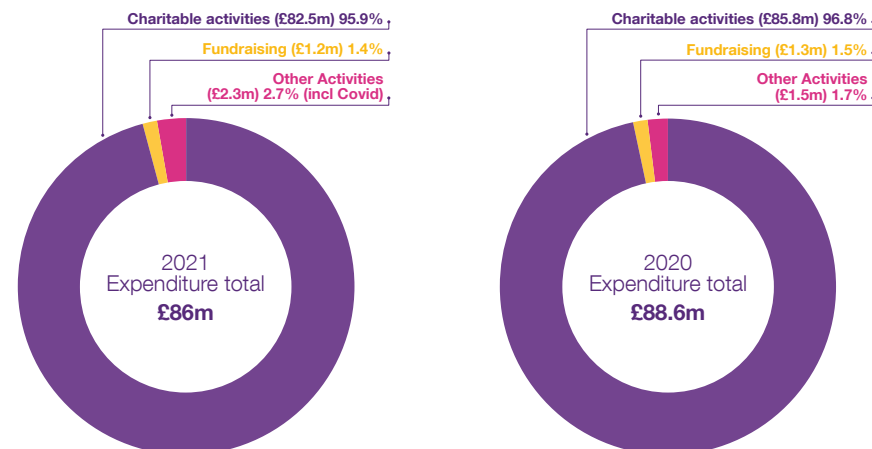
The asset disposals during the year (2020: £0.5m loss) included the sale of 2 properties and generated a loss of £0.1m.



## Expenditure

Total expenditure in the year to 31 March 2021 of £86m (2020: £88.6m) is a £2.6m and 2.9% reduction on 2020.

Charitable services costs reduced in the year as a direct impact of the delivery of fewer hours due to the pandemic; day services were limited and staff were redeployed to other types of services. The effect of this is that less agency hours were required reducing the agency cost burden by £3m. Offsetting this by a 2.2% increase in NLW (£1.1m). Property costs rose by £0.5m due to significantly increased utility charges and enhanced maintenance requirements. Operationally, the costs of setting up and monitoring compliance with Covid regulations whilst being unable to recharge vehicle charges added £450k costs.



### The income and costs and surpluses of the core operational services are as follows:

	2021 £'000	2020 £'000
Services income (note 3)	81,186	82,876
Services direct costs (note 8)	(71,704)	(75,216)
Services surplus before support costs	9,482	7,661
Support costs (note 8b)	(9,462)	(9,503)
Services (deficit) / surplus after support costs	20	(1,842)

The underlying gaps between increase in costs of delivering care and lower rates of fees being received, resulted in more services are being highlighted as financially unsustainable in the longer term, however the impact of pandemic in reducing the hours of services delivery meant that contracted staff were able to support all services without the need for agency staff, which resulted in a saving in agency costs, and additionally the overhead in recruitment and training of those staff.

A range of performance indicators are used to measure financial and operational activity and to highlight trends and potential risks. Throughout the year, the following key performance indicators are monitored and reported monthly, these are the annual comparisons:

	2021	2020
Fee Income per day (£k)	224	227
Occupancy rates (%)	93	95
Total Employment Costs (TEC) as % income	71	76
Agency costs as % Total Employment Costs	5	10
Operating Contribution as % Income	18	11
Overheads as % Income	13	11
Fundraising income v expenditure	2:1	3:1

Exceptional costs include all expenditure related to maintaining the organisation throughout the pandemic, including PPE (Personal Protective Equipment), training, computer equipment for staff and clients, temporary infrastructure improvements to enable access and visits and exceptional staff costs.

### Trading activity

The principal component of trading activities is the sale of seasonal cards and gifts which was halted for the year due to the pandemic. The total trading deficit in 2021 amounted to 3k (2020: £25k surplus). Hft recharges costs as incurred to this trading subsidiary.

### Charity projects

The net expenditure on special projects in the year to 31 March 2021 of £1.2m is a £0.2m increase on the 2019/20 net cost of £1m with a £50k decrease in project income. Special projects include the public benefit projects such as FCSS, Luv2meetU and the Personalised Technology project. The increase in net expenditure is due to reduced funding and the generation of income from providing chargeable Personalised Technology services.

### Balance Sheet

Reserves have decreased by £0.1m as a result of the year's activities; the main changes in the balance sheet during the year are as follows:

Intangible assets value declined by £0.5m.

Tangible fixed assets decreased by £3.3m to £57.8m which includes;

- Net book value of disposals of £0.6m
- Impairment charge of £1.8m relating to Benoni, Forest Close, Oldends, Ormiston, Ryeford Court and Westward Road

### Current Assets

- Fee debtors have increased due to the timing of invoices raised and should be viewed in conjunction with the income accrual, the net increase is £0.5m.
- Trade creditors increased by £1.4m in the year and creditors for both social security and pension costs increased in line with increases in both of the base costs.
- Loans have reduced by £105k of scheduled capital repayments.
- The pension fund surplus recognised in the closed final salary pension scheme has increased to £0.7m.

### Reserves

At 31 March 2021 the total funds of the charity were £73.3m of which £17.9m were restricted leaving a total of unrestricted funds of £55.3m.

As explained in the note to the accounts the Trustees have designated £46.1m of funds for fixed assets and capital projects, the reduction of £2.2m reflects the disposal of land and buildings during the period. The Trustees will continue to manage the undesignated balance available for general charitable activity.

The general reserve policy was last reviewed in November 2019 and it was agreed to maintain the level of general reserves sufficient to cover 6 weeks payroll £6.3m (2020: £6.9m). This policy will be revisited in the next 12 months. At the year-end the general reserve balance was £9.2m (2020: £6.8m) (see notes 21 & 22).

This level of general reserve would be sufficient to cover payroll costs and provide working capital support for major projects.

### Investment powers, policy and objectives

Investment powers are governed by the Articles of Association, which permit the funds to be invested in the manner shown in note 12 to the financial statements. The Trustees intend that the real value of Hft's investments be maintained and enhanced over the long term by investment in a portfolio comprising common investment funds, unit trusts and equities (quoted on a recognised international stock exchange). Hft employs professional investment managers to advise on and invest the portfolio in accordance with the investment policy and mandate which is given to them.

## Plans for Future Periods

The impact of the pandemic has enabled us to focus on how best to achieve our Mission, and we have renewed our focus on ensuring that our governance, care and support delivery, and housing provision are supported with efficient processes and systems. We have committed the funding and resource to deliver this transformation in the replacement of legacy systems, and deliver lean and efficient processes and systems over the next two years.

As a part of these developments, since the start of April 2021 we have restructured, and renamed, the Executive Board who are focussed on three main areas of performance:

- Care and Support
- Homes
- Charity

These are supported by new functional portfolios:

- Quality & Governance
- Strategy, Transformation & Innovation
- People & Organisational Development
- Commercial, Finance & Information Technology

Each of these portfolios are led by a Chief, who collectively form the Executive Board reporting to the Chief Executive Officer. The immediate plan is to stabilise the organisation post-pandemic, maximise the opportunities from changes in working practice adopted during the year, deliver the early stages of the transformation programme, and begin positioning Hft for growth.

### Growth

The demand for learning disability services continues to grow and the complexity of many of those services is increasing. We will continue strengthening our position within existing regions, pursue our strategy of growing and developing services focussing on age-related needs, and explore opportunities for sector consolidation, when these arise.

### Building capacity

We will continue to invest in accommodation for people we support, given appropriate levels of return, and will continue to review the property portfolio to ensure it meets the changing needs of the people we support.

We will continue to invest heavily in the upkeep and maintenance of our housing estate whilst working proactively to design affordable and sustainable innovative housing.

### Charitable Services

We are reviewing the delivery models for our key charitable services: Family Carer Support Service (FCSS), Personalised Technology, Luv2meetU and our Volunteering as well as other activity which we have provided in the past, and which is explicitly unfunded by Local Authorities.

We are fully committed to these activities and believe they offer significant benefits to all those with a learning disability and their families. We need to ensure that they are properly funded, sustainable for the future, offer the kind of services that people want for the future, and have greater scalability.

### Fundraising

Donor recruitment activity was restricted by necessity during the pandemic and we will continue to review all opportunities to increase fundraising income whilst ensuring that our current and future donors have a satisfying experience supporting us.

### Developing Hft's Voice

We have worked to maintain a voice of reason during this stressful and chaotic year and will continue to champion sensible change and reform to benefit the whole sector, as well as the people we support.

## Statement of Trustees' responsibilities

The Trustees (who are also directors of HF Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these 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;
- make judgments 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 charitable 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 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 auditor is 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 auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's

website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Going Concern

The Trustees have reviewed the group's and the charity's forecasts and projections covering a period exceeding 12 months from the date of signing of the financial statements.

Based on the level of existing cash and estimated levels of income and expenditure, the Trustees are satisfied that the group has adequate levels of reserves to continue in operation for the foreseeable future.

The Trustees have considered the impact of Brexit on the organisation and see no reason this would impact the going concern. In reviewing the future impact of Covid-19 the Trustees believe that the plans enacted over the previous year demonstrate the organisations ability to manage any further episodes of the virus.

Accordingly, the going concern basis has been used in preparing these financial statements.

Trustees also consider there to be no material uncertainties in the operating environment.

### Statement on Disclosure of Information to the Auditor

So far as each Trustee is aware, there is no relevant audit information of which the company's auditor is unaware.

Each Trustee has taken all the steps (such as making enquiries of other Trustees and any other steps required by the Trustee's duty to exercise due care, skill and diligence) that he or she ought to have taken in his duty as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The Report of the Board of Trustees and Incorporated Strategic Report were approved and signed on behalf of the Board of Trustees by:



**Amanda Bunce**  
Chair

Date: 23/09/2021

# Independent Auditors' report to the members of HF Trust Limited

## Opinion

We have audited the financial statements of HF Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Cash Flow Statements and notes to the financial statements, including 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 group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

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

## Other information

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

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

## Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 47, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

## The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit

# Consolidated Statement of Financial Activities

For the year ended 31 March 2021

(Including Consolidated Income and Expenditure Account)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
<b>Income and endowments from:</b>					
Donations and legacies	3	817	1,060	<b>1,877</b>	2,992
Charitable activities	3	81,673	-	<b>81,673</b>	83,406
Other trading activities		-	-	-	69
Investments		144	-	<b>144</b>	190
Other	7	1,291	-	<b>1,291</b>	(446)
<b>Total</b>		<b>83,925</b>	<b>1,060</b>	<b>84,985</b>	86,211
<b>Expenditure on:</b>					
Raising funds	8	1,200	-	<b>1,200</b>	1,274
Charitable activities	8	81,027	1,437	<b>82,464</b>	85,795
Other	8	2,338	-	<b>2,338</b>	1,537
<b>Total</b>	8	<b>84,565</b>	<b>1,437</b>	<b>86,002</b>	88,606
Net (losses)/gains on investments	12	943	-	<b>943</b>	(622)
<b>Net income/(expenditure)</b>	9	<b>303</b>	<b>(377)</b>	<b>(74)</b>	(3,017)
Tax Payable		4	-	<b>4</b>	
<b>Other recognised gains/(losses):</b>					
Re-measurement of defined benefit pension scheme	24	(52)	-	<b>(52)</b>	(231)
<b>Net movement in funds</b>		<b>247</b>	<b>(377)</b>	<b>(130)</b>	(3,248)
Total funds brought forward	20	55,139	18,312	<b>73,451</b>	76,699
<b>Total funds carried forward</b>	20	<b>55,387</b>	<b>17,935</b>	<b>73,322</b>	73,451

evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents and evaluating advice received from external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Care

Act 2014. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RSM UK Audit LLP**

**Nicholas Sladden**  
(Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP,  
Statutory Auditor  
25 Farringdon Street, London, EC4A 4AB

Date: 29 October 2021

## Balance Sheet as at 31 March 2021

	Notes	Group		Company	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Fixed assets</b>					
Intangible assets	11 (a)	809	1,261	809	1,261
Tangible assets	11 (b)	57,835	61,133	57,835	61,133
Investments	12	6,882	5,834	6,882	5,834
Total fixed assets		65,526	68,228	65,526	68,228
<b>Current assets</b>					
Stocks	13	5	5	-	-
Debtors: amounts falling due within one year	14	7,968	7,207	7,942	7,205
Cash at bank and in hand	15	9,141	5,608	9,097	5,568
Total current assets		17,114	12,820	17,039	12,773
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	16	8,100	6,368	8,071	6,370
<b>Net current assets</b>		9,014	6,452	8,968	6,403
<b>Total assets less current liabilities</b>		74,540	74,680	74,494	74,631
<b>Creditors</b>					
Amounts falling due after more than one year	16	250	315	250	315
Provisions for liabilities	17	680	683	680	683
Pension liability	24	288	231	288	231
<b>Net assets</b>		73,322	73,451	73,276	73,402
<b>The funds of the group/company</b>					
Restricted funds	20/23	17,935	18,312	17,935	18,312
General reserve	20	9,649	6,794	9,603	6,745
Designated funds	20/22	45,738	48,345	45,738	48,345
Unrestricted funds excluding pension liability	20	55,387	55,139	55,341	55,090
Pension reserve		-	-	-	-
<b>Unrestricted funds</b>		55,387	55,139	55,341	55,090
<b>Total funds</b>	21/22	73,322	73,451	73,276	73,402

As permitted by s408 Companies Act 2006, the Charity has not presented its own Income and Expenditure and related notes. The Charity's deficit for the year was £0.1m (2020 - deficit £3.2m).

The financial statements on pages 51 to 82 were approved and authorised for issue by the Board of Trustees and signed on its behalf by:



**Amanda Bunce**  
Chair  
Date: 23/09/2021

## Cash Flow Statement

For the year ended 31 March 2021

	Notes	Group		Company	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Cash flows from operating activities:</b>					
Net cash provided by operating activities		3,518	(41)	3,491	158
<b>Cash flows from investing activities:</b>					
Proceeds from assets held for disposal		633	696	638	696
Purchase of property, plant and equipment		(414)	(1,182)	(414)	(1,182)
Purchase of intangible assets		(99)	(219)	(99)	(219)
Gift aid received from subsidiaries		-	-	22	-
Net cash used in investing activities		120	(705)	142	(705)
<b>Cash flows from financing activities:</b>					
Repayments of borrowing		(105)	(125)	(105)	(125)
Net cash used in financing activities		(105)	(125)	(105)	(125)
Change in cash and cash equivalents in the reporting period		3,533	(872)	3,530	(672)
Cash and cash equivalents at the beginning of the reporting period		5,608	6,478	5,567	6,240
Cash and cash equivalents at the end of the reporting period		9,141	5,608	9,097	5,568
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>					
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>		(126)	(3,248)	(132)	(3,295)
<b>Adjustments for:</b>					
Depreciation and amortisation charges	11	2,077	1,476	2,077	1,476
Investment management charges	12	37	34	37	34
(Losses)/gains on investments	12	(941)	639	(941)	639
Returns on investment and servicing of finance		(144)	(190)	(144)	(190)
Profit on the sale of tangible fixed assets		138	446	138	446
Fixed asset impairment	11 (b)	1,792	-	1,792	-
(Increase)/decrease in stocks		-	-	-	-
(Increase)/decrease in debtors		(762)	578	(748)	781
Increase/(decrease) in creditors		1,399	(474)	1,364	(433)
Increase/(decrease) in provisions		(3)	467	(3)	467
Non-actuarial decrease in liability	24	52	231	52	231
Net cash provided by operating activities		3,518	(41)	3,391	158
<b>Analysis of cash and cash equivalents</b>					
Cash at bank and in hand		9,141	5,608	9,097	5,568
<b>Total cash and cash equivalents</b>		9,141	5,608	9,097	5,568

# Notes to the Financial Statements

For the year ended 31 March 2021

## 1. Principal Accounting Policies

Hf Trust Limited is a private company limited by guarantee (registration number 734984) and registered charity regulated by the Charity Commission (registered number 313069) with a registered address at 5/6 Brook Office Park, Folly Brook Road, Emerson's Green, Bristol.

### Basis of preparation

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments to market value and on a going concern basis.

Hf meets the definition of a public benefit entity under FRS 102.

A summary of the more important group accounting policies, which have been applied consistently, is set out below.

### Going Concern

There are no material uncertainties about going concern. The Trustees have reviewed and approved the future plans and financial forecasts underpinning the going concern assumption. The core business model is operating at high levels of occupancy and with fee levels from purchasers in excess of the costs of service delivery and associated support costs, and this is expected to continue to be the case for the foreseeable future.

The Trustees have reviewed the group's and the charity's forecasts and projections covering a period exceeding 12 months from the date of signing of the financial statements.

Based on the level of existing cash and estimated levels of income and expenditure, the Trustees are satisfied that the group has adequate levels of reserves to continue in operation for the foreseeable future.

Trustees have considered any potential material uncertainties in the operating environment in the light of the Covid-19 pandemic and believe that mitigation for risk is in place.

### Basis of consolidation

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement include the financial statements of the company and its subsidiaries made up to 31 March 2021. Intra group transactions and profits are eliminated fully on consolidation.

The results of the subsidiary undertakings are shown in the consolidated statement of financial activities within income and expenditure. The assets and liabilities of the subsidiary undertakings are combined with those of the company in the consolidated balance sheet and consolidated cash flow statement on a line by line basis. A separate statement of financial activities for the company is not presented as permitted by section 408 of the Companies Act 2006.

### Income

Income from all sources is included in the statement of financial activities at its fair value on a receivable basis, subject to the following specific criteria:

- Donations are recognised as soon as there is evidence of entitlement, subject to any conditions attached it is probable that the income will be received and the amount can be measured reliably.
- Legacies are recognised on receipt of income or on formal notification of entitlement to the income within a short timeframe where the income is reliably measurable.
- No amounts are included in the financial statements in respect of services donated by volunteers.

### Income from charitable activities

Fees receivable and charges for services and projects are accounted for in the period in which the service is provided or the project undertaken.

### Other income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item (s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

### Grant income

Grant income is recognised when recognition criteria are fulfilled, and deferred into future periods if it is a multi-period grant.

### Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. All irrecoverable VAT on costs is charged as a cost against the activity for which the expenditure was incurred.

### Expenditure on raising funds

Expenditure incurred on raising funds does not include the costs of promoting or marketing the charity and is apportioned to individual restricted funds on the basis of funds raised during the year.

### Expenditure on charitable activities

Service costs comprise the direct and indirect costs, including staff, attributable to the delivery of front-line care services for service users.

### Apportionment of support costs

Support costs are apportioned to activities, based on the relative income of the activities.

### General reserve

The general reserve comprises the working capital operating reserve of the group.

### Designated funds

The designated capital project fund comprises unrestricted funds that have been set aside by the Board of Trustees to be expended on specific current capital development commitments. The aim and use of each designated fund is set out in the notes to the financial statements.

The designated fixed asset fund represents the aggregate net book value of tangible fixed assets acquired or constructed partly or fully from unrestricted funds, less associated mortgage liabilities.

### Restricted funds

The restricted project fund comprises funds, which are to be used in accordance with specific restrictions imposed by donors, or which have been raised by the charity for particular purposes. The cost of raising such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

The restricted fixed asset fund represents the aggregate net book value of tangible fixed assets acquired or constructed partly or fully from restricted funds.

### Intangible fixed assets

Intangible fixed assets represent the cost of purchasing, configuring and bringing to operational readiness significant computer software applications, which have an anticipated life of between 5 to 10 years. These assets are amortised on a straight-line basis over their estimated lives, once they are fully operational.

## Tangible fixed assets

All tangible fixed assets are included in the financial statements on initial recognition at cost. Individual assets with a cost below £2,500 (£500 for laptops / desktops) are not capitalised unless they form part of a series of purchases in respect of the fitting out of a new service or project. Irrecoverable VAT incurred on the purchase of fixed assets is included in the capitalised cost.

## Impairment

Hft is required to conduct annual impairment reviews of its housing properties. Other assets are also reviewed for impairment if there is an indication that impairment may have occurred. In general, where the calculated value in use is lower than book value, an impairment adjustment is made.

In respect of impairment reviewed, Hft is required to make critical judgements and assessments against each housing property that is reviewed. The recoverable amount of each housing property is based on value in use, which requires estimates to be made in respect of the allocation of the property value to each cash generating unit and of the future economic benefit to be derived from the underlying asset. The value in use calculation at 31st March 2021 used a discount rate of 5%, with economic operating units, which was applied to cash flows extending over a 20-year period as a conservative estimate of the useful lives of properties. The impairment charge made in the year was £1.8m.

## Depreciation

The depreciation being applied to freehold buildings was reviewed during the year and a range of rates was extended to cover different categories of buildings based on their expected useful lives and residual values. Accordingly, buildings which are substantially residential properties in good order and with residual values that exceed historical cost no longer have a requirement to be depreciated.

Depreciation is calculated to write off the cost of buildings, plant and equipment over their expected useful lives at the following rates, on a straight-line basis:

	2021	2020
Assets due for disposal	Nil	Nil
Freehold land	Nil	Nil
Freehold buildings and additions	0-5% pa on cost	0-5% pa on cost
Cyclical refurbishment of buildings	15% pa on cost	15% pa on cost
Equipment	8-15% pa on cost	8-15% pa on cost
Computers	33 $\frac{1}{3}$ % pa on cost	33 $\frac{1}{3}$ % pa on cost
Motor vehicles	25% pa on cost	25% pa on cost

## Operating leases

Income and costs in respect of operating leases are respectively credited and charged to the Statement of Financial Activities on a straight-line basis over the lease term.

## Provisions

### • Dilapidation

Provisions for dilapidations are recognised on a lease by lease basis and are based on the best estimate of the likely committed expenditure.

### • Onerous leases

Hft provides for all future lease costs where there is no reasonable expectation of future operating income relating to the leased asset.

## Stocks

Stocks are stated at the lower of cost and net realisable value.

## Taxation

No provision for Corporation Tax has been made in these financial statements as the company, a registered charity, is entitled to certain exemptions on its charitable activities. Taxation recoverable represents amounts deducted at source in respect of gift aid donations from individuals.

## Investments

Listed investments are recognised at cost and valued at fair value based on bid price at the balance sheet date. Realised and unrealised gains or losses on revaluation or disposal are combined in the Consolidated Statement of Financial Activities. Income from these investments is recognised in the year in which it arises.

## Pension scheme arrangements

During the year, the group operated eleven pension schemes (see note 24). Contributions to the Charity's pension schemes are charged to the Statement of Financial Activities in the year in which they become payable.

- a defined benefit pension scheme (The Hft Retirement Benefits Scheme or "RBS"). The RBS is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being agreed by the actuary. In the intervening years the actuary reviews the continuing appropriateness of these rates. The RBS ceased accepting new members from 25 January 1996 and on 26 October 2005 the company ceased contributions to this scheme in respect of future accruals. Consequently, there are now no active members of this scheme.
- the HF Trust Limited group personal pension plan provided by Aegon: with effect from the date of commencement of automatic enrolment in to The Peoples Pension Scheme (see below), this pension plan closed to new members.
- contributions have been made into either the National Health Service Pension Fund or the West Yorkshire Pension Fund (part of the Local Government Pension Scheme), in respect of staff who transferred to Hft under the Bradford day services contract.
- contributions have been made into the Oxford County Council Pension Fund (part of the Local Government Pension Scheme); in respect of staff who transferred to Hft under the Oxford Vale contract.
- from April 2013, contributions have been made into the Care Fund Limited group personal pension plan, in respect of staff joining Hft on the acquisition of the Care Fund group; with effect from the date of commencement of automatic enrolment in to The Peoples Pension Scheme (see below), the Group Personal Pension Plan closed to new members.
- from April 2013, contributions have been made into a Scottish Equitable personal pension plan, in respect of staff joining Hft on the acquisition of the Care Fund group. This pension plan is closed to new members.
- from April 2013, contributions have been made into a Friends Provident personal pension plan, in respect of staff joining Hft on the acquisition of the Care Fund group. This pension plan had one member who left in the year and the scheme is now closed.
- following the commencement of automatic enrolment, from November 2013 contributions have been made into The Peoples Pension Scheme. This is the only pension scheme offered to new members of staff.
- from April 2013, contributions have been made into a Standard Life personal pension plan, in respect of staff joining Hft on the acquisition of the Care Fund group. This pension plan is closed to new members.
- from April 2016, contributions have been made into a Nest pension plan, in respect of staff joining Hft on the acquisition of The Edward Lloyd Trust. This pension plan is closed to new members.
- from April 2016, contributions have been made into a Legal & General pension plan, in respect of staff joining Hft on the acquisition of The Edward Lloyd Trust. This pension plan is closed to new members.
- from February 2019, contributions have been made into the Clwyd pension scheme in respect of staff joining Hft on the acquisition of Flintshire day services contract.

### Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in this note, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Depreciation and the remaining useful life of fixed assets:

The remaining useful life and expected residual values of the group's freehold buildings is a key area of estimation.

Provisions for dilapidations and leases are in relation to liabilities existing in respect of land and buildings held under operating leases. They are held at a value of the expected remaining charge on the lease and costs in association with bringing the relevant property into an acceptable state as agreed by both parties.

Asset impairments have the potential to significantly impact the financial results. In order to determine whether impairments are required the Charity estimates the recoverable amount of the asset.

This calculation is based on projecting future cash flows over a twenty-year period and using a terminal value to incorporate expectations of growth thereafter. The terminal value has been estimated using A discount factor is applied to obtain a current value ('value in use') and the result is compared to the net book value held, the deficit in value has been charged as an impairment against the assets.

Estimated future cash flows for impairment calculations are based on a rental fee limited to a rental fee of 5% of historic cost, being the net retained cash flow from rental invoices and the costs to deliver the building.

Future cash flows are discounted using a discount rate (5%) based on the cost of capital, and is impacted by estimates of interest rates, equity returns and market and country-related risks.

If the cash flow or discount rate assumptions were to change because of market conditions, the level of impairment could be different and could result in the impairment of property, plant and equipment being increased or reversed, in part or in full, at a future date.

## 2. Prior Year Consolidated Statement of Financial Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
<b>Income and endowments from:</b>			
Donations and legacies	1,876	1,116	<b>2,992</b>
Charitable activities	83,406	-	<b>83,406</b>
Other trading activities	69	-	<b>69</b>
Investments	190	-	<b>190</b>
Other	(446)	-	<b>(446)</b>
<b>Total</b>	<b>85,095</b>	<b>1,116</b>	<b>86,211</b>
<b>Expenditure on:</b>			
Raising funds	1,274	-	<b>1,274</b>
Charitable activities	84,601	1,194	<b>85,795</b>
Other	1,537	-	<b>1,537</b>
<b>Total</b>	<b>87,412</b>	<b>1,194</b>	<b>88,606</b>
Net gains/(losses) on investments	(622)	-	<b>(622)</b>
<b>Net income/(expenditure)</b>	<b>(2,939)</b>	<b>(78)</b>	<b>(3,017)</b>
Other recognised gains/(losses):			
Re-measurement of defined benefit pension scheme	(231)	-	<b>(231)</b>
Net movement in funds	(3,170)	(78)	<b>(3,248)</b>
Total funds brought forward	58,309	18,390	<b>76,699</b>
Total funds carried forward	55,139	18,312	<b>73,451</b>

## 3. Income and Endowments

### (a) Donations and legacies

Group and Company	2021 £'000	2020 £'000
Strategic Partnerships	790	557
Regional & community	302	332
Donor marketing	226	256
Extra Special Trust	-	-
<b>Donations</b>	<b>1,318</b>	<b>1,145</b>
Legacies	559	1,847
<b>Total donations and legacies</b>	<b>1,877</b>	<b>2,992</b>

Included within donations is £68k of Gift Aid reclaimed (2020: £76k). Income from Friends Groups of £19k (2020: £32k) is included in donations and includes amounts held by groups.

The expenditure incurred by the Friends Groups has remained minimal during the year and continues to not be material in results based on management estimates. It has not proved practical to obtain expenditure records from individual Friends Groups, however, the Board of Trustees does not consider that the effect is material and it has no effect on the net incoming resources for the year (2020: no effect).

### (b) Income from Charitable Activities

Group and Company	2021 £'000	2020 £'000
Service income	81,186	82,877
Special projects	396	446
Community Interest Company income	91	83
<b>Total</b>	<b>81,673</b>	<b>83,406</b>

## 4. Hft Trading Limited

Hft has a wholly owned trading subsidiary, which is incorporated in England and Wales, with a registered office at 5/6 Brook Office Park, Folly Brook Road, Emersons Green, Bristol. Hft Trading Limited (company registration 02764761) undertakes non-primary purpose trading activities, namely the retail sale of Hft branded cards and gifts. The distributable net profit is distributed to Hft. A summary of the trading results of the subsidiary are shown below. The Board will consider the accounts for approval on 23.09.21.

	2021 £'000	2020 £'000
Turnover	-	69
Cost of sales	-	(36)
Gross profit	-	33
Administration	(3)	(8)
Profit before Gift Aid payment	(3)	25
Retained profit brought forward	25	-
Gift Aid payment to the company	(22)	-
Retained in subsidiary	-	25
Analysis of net assets / liabilities:		
Current assets	22	46
Current liabilities	(22)	(21)
Net assets	-	25

## 5. Hft Property Limited

Hft has a wholly owned property subsidiary, which is incorporated in the England and Wales, with a registered office at 5/6 Brook Office Park, Folly Brook Road, Emersons Green, Bristol. Hft Property Limited (company registration 03216502) develops property to provide residential accommodation for people with learning disabilities. There has been no trade in the current or previous year. A summary of the net assets is shown below. Audited financial statements are not filed with Companies House this year.

	2021 £'000	2020 £'000
Current assets	4	6
Current liabilities	(4)	(6)
Net assets	-	-

## 6. LUV2MeetU Community Interest Company

Hft is the sole member of a company limited by guarantee. Luv2meetU Community Interest Company (company registration 07399511) is incorporated as a Community Interest Company and is registered in England and Wales, with a registered office at 5/6 Brook Office Park, Folly Brook Road, Emersons Green, Bristol and the operating office address at Euroway House, Roydsdale Way, Bradford, BD4 6SE. A summary of the trading results is shown below. The Board will consider the accounts for approval on 23.09.21. Audited financial statements are filed with Companies House.

	2021 £'000	2020 £'000
Turnover	91	83
Operating expenditure	(80)	(62)
Net income	11	21
Retained profit brought forward	10	(11)
Tax charge	(4)	-
Retained in subsidiary	17	10
Current assets	23	11
Current liabilities	(6)	(1)
Net assets	17	10

## 7. Other Income

Other income comprises:

	2021 £'000	2020 £'000
Exceptional (including CV19)	1,429	-
(Losses) / Gains on disposal of tangible fixed assets	(138)	(446)
Total other income	1,291	(446)

## 8. Expenditure

### a) Analysis of expenditure

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	Total 2021 £'000	Total 2020 £'000
Raising funds	814	165	221	1,200	1,274
<b>Charitable activities:</b>					
Service costs	58,193	13,510	9,462	81,165	84,717
Special projects	797	419	-	1,216	1,016
Community Interest company costs	80	-	-	80	62
Subsidiary	3	-	-	3	-
	59,073	13,929	9,462	82,464	85,795
<b>Other:</b>					
Marketing and publicity costs	366	84	-	450	488
Trading activities costs	-	3	-	3	8
Investment management fees	-	37	-	37	37
Exceptional (including CV19)	-	1,636	-	1,636	750
Governance	-	-	212	212	254
	366	1,760	212	2,338	1,537
<b>Total expenditure</b>	60,253	15,854	9,895	86,002	88,606

Special project costs relate to projects funded from charitable sources and the purchase of specific items of equipment for services. All activities are carried out directly by the company.

Exceptional costs include all expenditure related to maintaining the organisation throughout the pandemic, including PPE (Personal Protective Equipment), training, computer equipment for staff and clients, temporary infrastructure improvements to enable access and visits and exceptional staff costs. Prior year costs of £750k related to RBS buy out costs.

### b) Analysis of support costs

	Raising funds £'000	Service costs £'000	Total 2021 £'000	Total 2020 £'000
Operations	32	1,391	1,423	1,739
Human Resources	53	2,279	2,332	2,413
Finance and Company Secretary	39	1,623	1,662	1,216
Estates	34	1,449	1,483	1,514
Information Technology	59	2,540	2,599	2,408
Governance	-	212	212	254
Corporate Management	4	180	184	557
<b>Total support costs</b>	221	9,674	9,895	10,101

### c) Analysis of professional and Trustee costs

	2021 £'000	2020 £'000
Internal assurance	43	16
External audit, tax advice and assurance	59	56
Legal, professional & consultancy fees	33	52
Trustee expenses and meeting costs	4	9
Trustee training	-	1
Trustee liability and other insurance costs	12	13
AGM costs	-	1
<b>Total professional and Trustee costs</b>	<b>151</b>	148

### 9. Net Income / (Expenditure)

Net income/(expenditure) is stated after charging:

	2021 £'000	2020 £'000
<b>Operating lease charges:</b>		
Land & buildings	1,259	1,228
Motor vehicles	644	661
Auditor's remuneration (company £46k; 2020: £43k)	46	43
Auditor's remuneration – tax advice, assurance reports	13	13
Impairment of fixed assets	1,792	-
Depreciation	1,526	1,068
Amortisation	551	408
Profit on the sale of fixed assets	138	446



AC in front of his flower beds

### 10. Employees

The average number of persons employed by the group & parent charity during the year and their salary and wages costs were:

	Number	2021 £'000	Number	2020 £'000
<b>Salaries:</b>				
Fundraising & Trading	23	724	24	657
Services & Projects	2,909	48,422	3,384	50,602
Special Projects	44	797	31	544
Support & Governance	177	6,021	171	5,239
	<b>3,153</b>	<b>55,964</b>	3,610	57,042
<b>Other staff costs:</b>				
National Insurance costs		4,335		4,340
Pension costs		1,517		1,989
		<b>61,816</b>		63,371

The total emoluments of employees earning more than £60k (including benefits in kind, but excluding employer's pension contributions) fall within the following bandings:

	2021 No.	2020 No.
£60,001 - £70,000	7	5
£70,001 - £80,000	1	1
£90,001 - £100,000	2	2
£100,001 - £110,000	-	1
£130,001 - £140,000	1	-
£150,001 - £160,000	-	1
£160,001 - £170,000	-	1

For those staff whose emoluments exceed £60k per annum, pension contributions amounting to £31k (2020: £30k) were paid for the provision of money purchase benefits. All of these staff benefits accruing under the Group Personal Pension Plan and, in addition, two have accrued benefits under the defined benefit pension scheme (prior to the closure of the scheme).

Included within the employment costs are redundancy and termination payments totalling £312k (2020: £414k). These payments are recognised as soon as the liability to the charity crystallises under the terms of the agreement with the employee.

Key management personnel are deemed to be the Trustees together with the Executive Management team. The total emoluments of the Executive Management team were as follows:

Group and parent	2021 £'000	2020 £'000
Emoluments	358	681
Employers national insurance contributions	43	73
Employers pension fund contributions	12	19
	<b>413</b>	773

No member of the Executive management team received any other remuneration such as long-term incentive schemes, shares or compensation for loss of office. No member of the Executive Management team waived any emoluments.

The Trustees received no emoluments during the year (2020: £nil). The aggregate amount of expenses incurred by Trustees during the year amounted to £nil (2020: £5k) due to remote meetings during the pandemic.

## 11. (a) Intangible Fixed Assets

Group and company		Computer software
<b>Cost:</b>	At 1 April 2020	2,295
	Additions	99
	At 31 March 2021	2,394
<b>Amortisation:</b>	At 1 April 2020	1,034
	Charge for the year	551
	At 31 March 2021	1,585
<b>Net book value:</b>	At 31 March 2021	809
	At 31 March 2020	1,261

Included within the computer software is £nil (2020: nil) of assets in the course of construction.



Liz and Sarah enjoying a cream tea

## 11. (b) Tangible Fixed Assets

		Freehold land & buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
<b>Company Cost:</b>	At 1 April 2020	76,537	2,317	869	79,723
	Additions	599	54	-	654
	Disposals	(1,423)	-	(99)	(1,522)
	Transfers	1,376	(1,335)	(41)	-
	At 31 March 2021	77,089	1,036	729	78,855
<b>Depreciation:</b>	At 1 April 2020	16,304	1,431	855	18,590
	Charge for the year	1,464	37	25	1,526
	Impairment loss	1,792	-	-	1,792
	Disposals	(790)	-	(99)	(889)
	Transfers	614	(562)	(52)	-
	At 31 March 2021	19,385	905	729	21,019
	At 31 March 2020	60,233	886	14	61,133
<b>Group Cost:</b>	At 1 April 2020	76,894	2,356	869	80,119
	Additions	203	54	-	258
	Disposals	(1,423)	-	(99)	(1,522)
	Transfers	1,415	(1,374)	(41)	-
	At 31 March 2021	77,089	1,036	729	78,855
<b>Depreciation:</b>	At 1 April 2020	16,661	1,470	855	18,986
	Charge for the year	1,068	37	25	1,130
	Impairment loss	1,792	-	-	1,792
	Disposals	(790)	-	(99)	(889)
	Transfers	653	(601)	(52)	-
	At 31 March 2021	19,385	905	729	21,019
	At 31 March 2020	60,233	886	14	61,133

In the opinion of the Trustees there is no material difference between the carrying value of the land and buildings above, and the market value.

Impairment charges are shown as a cost to Charitable Activities in the SOFA.

## 12. Fixed Asset Investments

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Market value:				
At 1 April 2020	5,834	6,318	5,834	6,318
Income reinvestment	144	190	144	190
Net gain/(loss) on investment assets	941	(622)	941	(622)
Investment management charges	(37)	(52)	(37)	(52)
At 31 March 2021	6,882	5,834	6,882	5,834

Investments are represented by:

	Cost		Market Value		Gross income	
	2021 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2020 £'000
Investments listed in the UK:						
Common investment funds	60	63	61	-	-	-
Fixed Interest	1,047	1,424	1,252	36	46	46
Equity shares	1,676	1,749	1,581	55	77	77
Property and other funds	1,102	1,290	1,049	43	39	39
Cash	220	201	473	-	1	1
Interest	-	-	18	-	-	-
	4,105	4,727	4,434	134	163	163
Investments listed outside the UK:						
Equity shares	1,426	2,155	1,400	26	27	27
Company & Group	5,531	6,882	5,834	160	190	190

There are no particular investments which are considered to be individually material in the context of the overall investment portfolio, in either year. Hft owns the whole of the issued share capital of Hft Trading Limited: 100 ordinary shares of £1 each issued at par. Hft Trading Limited is registered in England and Wales.

Hft owns the whole of the issued share capital of Hft Property Limited: two ordinary shares of £1 each issued at par registered in England and Wales. In addition, as the sole member of a company limited by guarantee, Hft wholly controls Luv2meetU Community Interest Company. Luv2meetU Community Interest Company is incorporated as a Community Interest Company and registered in England and Wales.

## 13. Stocks

Stocks of £5k (2020: £5k) comprise bought in items for Hft Trading Limited.

## 14. Debtors

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Due within one year:</b>				
Loan due from Hft Trading Limited	-	-	10	10
Other amounts due from subsidiary	-	-	-	-
-Hft Property Limited	-	-	-	1
Loan due from Dimensions (UK) Ltd	42	42	42	42
Fees and grants	4,379	3,889	4,339	3,876
Other debtors	789	560	793	560
Prepayments	1,240	1,037	1,240	1,037
Accrued income	1,518	1,679	1,518	1,679
	7,968	7,207	7,942	7,205

The loan due from Hft Trading Limited is unsecured and renewable annually. Interest is charged at the base lending rate of Lloyds Bank plc.

The loan due from Dimensions (UK) Limited represented an advance for the purchase of a property and was secured against this property. The loan was repayable only on the sale of the property, together with specified proportions of the excess of the sale proceeds over the advance. The loan carried no interest.

## 15. Cash at the bank and in hand

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Cash and bank balances	9,141	5,608	9,097	5,568
	9,141	5,608	9,097	5,568



People we support getting creative in Barnet

## 16. Creditors

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Due within one year:</b>				
Other amounts due from subsidiary -Hft Property Limited	-	-	3	-
Mortgage loans (see note 19)	-	40	-	40
Interest free loans (see note 18)	158	158	158	158
Trade creditors	2,343	916	2,315	903
Taxation and social security payable	1,086	1,158	1,082	1,158
Other creditors	117	253	117	253
Accruals	3,961	3,534	3,961	3,549
Deferred income	435	309	435	309
	<b>8,100</b>	<b>6,368</b>	<b>8,071</b>	<b>6,370</b>
<b>Due after more than one year:</b>				
Mortgage loans (see note 19)	250	315	250	315
	<b>250</b>	<b>315</b>	<b>250</b>	<b>315</b>
<b>Mortgage loans – repayable after more than one year:</b>				
Between one and two years	-	40	-	40
Between two and five years	-	65	-	65
In more than five years	250	250	250	250
	<b>250</b>	<b>355</b>	<b>250</b>	<b>355</b>

	Group £'000	Company £'000
<b>Deferred income reconciliation</b>		
At 1 April 2020	309	309
Released during year	(309)	(309)
Provided during year	435	435
<b>At 31 March 2021</b>	<b>435</b>	<b>435</b>

Deferred income comprises income received in respect of fees relating to services provided after 31 March 2021.

## 17. Provisions for Liabilities

Group & Company - Movement during the year	At 1 April 2020 £'000	Additions £'000	Releases £'000	At 31 March 2021 £'000
Repairs provision	3	-	2	1
RBS Buyout Provision	680	29	30	679
	683	29	32	680

The RBS Buyout provision of £679k (2020: £680k) for professional fees and capital cost in relation to the buyout of the RBS pension scheme expected to be finalised in 2022. See note 24 (a).

## 18. Interest Free Loans

The interest free loans are repayable on demand. At 31 March 2021, the interest free loans were wholly covered by cash and investments.

## 19. Mortgage

Mortgage loans	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Cornwall County Council	250	250	250	250
People 2000 Limited	-	105	-	105
	<b>250</b>	<b>355</b>	<b>250</b>	<b>355</b>

(a) The mortgage loan of £250k is an interest free loan secured by a first charge on the freehold property of the Cornwall Day Centre which is held in the books with a net book value of £483k. The loan will become repayable if Hft should terminate the agreement, dated January 1992, with Cornwall County Council for the provision by Hft of accommodation and services for individuals with learning disabilities. In addition, the loan will become repayable if Hft should sell, lease or cease to use the day centre for individuals with learning disabilities.

(b) The mortgage loan of £105k was repaid in the year. It was a 10-year amortising loan from People 2000 Limited, to fund developments in St Austell and was secured on three properties in Devon which are held in the books with a combined net book value of £669k.



Adrian and Jane in the garden they've been maintaining.

## 20. Statement of Funds

	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Pension Reserve £'000	Total Unrestricted Funds £'000	Total Funds £'000
<b>Company At 1 April 2020:</b>	18,312	6,745	48,345	-	<b>55,091</b>	<b>73,402</b>
Income	1,060	83,836	-	-	<b>83,836</b>	<b>84,896</b>
Expenditure	(1,437)	(81,870)	(2,608)	-	<b>(84,477)</b>	<b>(85,914)</b>
Other recognised gains/(losses)	-	891	-	-	<b>891</b>	<b>891</b>
Fixed asset transfers	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>17,935</b>	<b>9,603</b>	<b>45,738</b>	-	<b>55,341</b>	<b>73,276</b>
<b>At 1 April 2019</b>	18,390	9,422	48,885	-	<b>58,307</b>	<b>76,697</b>
Income	1,116	84,943	-	-	<b>84,943</b>	<b>86,058</b>
Expenditure	(1,194)	(86,712)	(595)	-	<b>(87,306)</b>	<b>(88,501)</b>
Other recognised gains/(losses)	-	(853)	-	-	<b>(853)</b>	<b>(853)</b>
Fixed asset transfers	-	(55)	55	-	-	-
<b>At 31 March 2020</b>	<b>18,312</b>	<b>6,745</b>	<b>48,345</b>	-	<b>55,091</b>	<b>73,402</b>
<b>Group At 1 April 2020:</b>	18,312	6,794	48,345	-	<b>55,139</b>	<b>73,451</b>
Income	1,060	83,927	-	-	<b>83,927</b>	<b>84,987</b>
Expenditure	(1,437)	(81,961)	(2,608)	-	<b>(84,569)</b>	<b>(86,006)</b>
Other recognised gains/(losses)	-	891	-	-	<b>891</b>	<b>891</b>
Fixed asset transfers	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>17,935</b>	<b>9,649</b>	<b>45,738</b>	-	<b>55,387</b>	<b>73,322</b>
<b>At 1 April 2019</b>	18,390	9,424	48,885	-	<b>58,309</b>	<b>76,699</b>
Income	1,116	85,095	-	-	<b>85,095</b>	<b>86,211</b>
Expenditure	(1,194)	(86,817)	(595)	-	<b>(87,412)</b>	<b>(88,606)</b>
Other recognised gains/(losses)	-	(853)	-	-	<b>(853)</b>	<b>(853)</b>
Fixed asset transfers	-	(55)	55	-	-	-
<b>At 31 March 2020</b>	<b>18,312</b>	<b>6,794</b>	<b>48,345</b>	-	<b>55,139</b>	<b>73,451</b>

**Restricted funds** - Comprises the project fund and the fixed asset fund (see note 23).

**Unrestricted funds** - The general reserve represents the working capital operating reserve of the group. The designated fund comprises the capital project fund and the fixed asset fund (see note 22).

**Transfers** - The fixed asset transfers reflect the net funds expended on tangible fixed assets during the year. Land and buildings acquired from restricted funds are held in the restricted fixed asset fund.

## 21. Analysis of Group Net Assets Between Funds

Representation of fund balances	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
<b>Group</b>					
Tangible & intangible assets	11,847	808	45,988	<b>58,644</b>	62,394
Fixed asset investments	-	6,882	-	<b>6,882</b>	5,834
Cash and bank balances	6,088	3,053	-	<b>9,141</b>	5,608
Other current assets	-	7,973	-	<b>7,973</b>	7,212
Current liabilities	-	(8,100)	-	<b>(8,100)</b>	(6,599)
Long-term liabilities	-	(288)	(250)	<b>(538)</b>	(315)
Provision for liabilities and charges	-	(680)	-	<b>(680)</b>	(683)
Net assets	17,935	9,649	45,738	<b>73,322</b>	73,451
<b>Company</b>					
Tangible & intangible assets	11,847	809	45,988	<b>58,644</b>	62,394
Fixed asset investments	-	6,882	-	<b>6,882</b>	5,834
Cash and bank balances	6,088	3,009	-	<b>9,097</b>	5,568
Other current assets	-	7,942	-	<b>7,942</b>	7,205
Current liabilities	-	(8,071)	-	<b>(8,071)</b>	(6,601)
Long-term liabilities	-	(288)	(250)	<b>(538)</b>	(315)
Provision for liabilities and charges	-	(680)	-	<b>(680)</b>	(683)
Net assets	17,935	9,605	45,738	<b>73,276</b>	73,402
<b>Prior year Representation of fund balances</b>					
<b>Group</b>					
Tangible & intangible assets	12,473	1,221	48,700	<b>62,394</b>	63,613
Fixed asset investments	-	5,834	-	<b>5,834</b>	6,318
Cash and bank balances	5,839	(231)	-	<b>5,608</b>	6,478
Other current assets	-	7,212	-	<b>7,212</b>	7,794
Current liabilities	-	(6,559)	(40)	<b>(6,599)</b>	(6,888)
Long-term liabilities	-	-	(315)	<b>(315)</b>	(400)
Provision for liabilities and charges	-	(683)	-	<b>(683)</b>	(216)
Net assets	18,312	6,794	48,345	<b>73,451</b>	76,699
<b>Company</b>					
Tangible & intangible assets	12,473	1,221	48,700	<b>62,394</b>	63,613
Fixed asset investments	-	5,834	-	<b>5,834</b>	6,318
Cash and bank balances	5,839	(271)	-	<b>5,568</b>	6,240
Other current assets	-	7,205	-	<b>7,205</b>	7,986
Current liabilities	-	(6,561)	(40)	<b>(6,601)</b>	(6,844)
Long-term liabilities	-	-	(315)	<b>(315)</b>	(400)
Provision for liabilities and charges	-	(683)	-	<b>(683)</b>	(216)
Net assets	18,312	6,745	48,345	<b>73,402</b>	76,697

## 22. Designated Funds - Group

Designated funds comprise the following individual funds:

Mortgage loans	At 1 April 2020 £'000	Expenditure £'000	Fixed asset transfers £'000	Fund transfers £'000	At 31 March 2021 £'000
Designated fixed asset fund	48,345	(2,232)	-	-	<b>46,113</b>

The fixed asset fund represents the net book value of all unrestricted tangible fixed assets, less associated mortgage liabilities.



Jonathan getting around on his Ice Trike

## 23. Restricted Funds - Group and Company

	At 1 April 2020 £'000	Income £'000	Transfer £'000	Expenditure £'000	At 31 March 2021 £'000
<b>General service restrictions:</b>					
Gloucestershire	134	21	(15)	(19)	<b>121</b>
Sheffield	31	13	(22)	-	<b>22</b>
The Wirral	46	27	(8)	(37)	<b>28</b>
Kent South	35	17	(1)	(7)	<b>44</b>
South Oxfordshire	134	1	(121)	-	<b>13</b>
Herts & Essex	77	88	(55)	(41)	<b>68</b>
Devon	325	4	(41)	(13)	<b>275</b>
Leeds	78	3	(44)	(1)	<b>36</b>
Bedfordshire	72	14	(40)	(5)	<b>40</b>
Arden Vale	27	22	-	(18)	<b>31</b>
Cornwall	19	62	14	(25)	<b>69</b>
Cornwall (RMH)	17	-	-	-	<b>17</b>
Kingston-upon-Thames	71	11	-	(47)	<b>35</b>
North Oxfordshire	64	2	(30)	(2)	<b>34</b>
Bristol	9	3	(1)	(7)	<b>4</b>
Bradford	61	29	-	(8)	<b>81</b>
Kent North	269	19	(154)	(54)	<b>80</b>
Sussex	279	87	(23)	(81)	<b>262</b>
Shropshire	42	20	(16)	(18)	<b>28</b>
Leicestershire	23	10	(9)	-	<b>24</b>
London	33	25	(6)	(30)	<b>22</b>
Wiltshire	125	8	(94)	(18)	<b>20</b>
Lancashire	-	27	(23)	-	<b>3</b>
Newcastle	16	1	(11)	-	<b>6</b>
Forest of Dean	7	-	-	(2)	<b>4</b>
Flintshire	37	68	-	(57)	<b>48</b>
Other project grants: L2MU, PT	361	478	18	(315)	<b>542</b>
Newcastle Edward Lloyd Trust	877	-	-	-	<b>877</b>
<b>Other restrictions:</b>					
Edenbridge legacy	645	-	-	-	<b>645</b>
Extra Special Trust	774	-	-	-	<b>774</b>
Tiverton Drop-In Centre	57	-	-	-	<b>57</b>
Design for Life - East Midlands	408	-	-	-	<b>408</b>
Design for Life - Lancashire	53	-	-	-	<b>53</b>
West Sussex - Community Fund	137	-	-	-	<b>137</b>
General Regional Funds	-	-	682	-	<b>682</b>
Others Grants & Donations	498	-	-	-	<b>498</b>
Restricted project fund	5,835	1,060	-	(807)	<b>6,088</b>
Restricted fixed asset fund	12,473	-	-	(630)	<b>11,847</b>
<b>Total restricted funds</b>	<b>18,312</b>	<b>1,060</b>	<b>-</b>	<b>(1,437)</b>	<b>17,935</b>

During the year a review of restricted funds was undertaken which resulted in enhanced clarity over historic misallocation of expenditure between regionally held funds. Costs which had been incurred for specific projects had been misallocated leaving specifically restricted funds as available whilst general restricted funds were depleted. In undertaking this exercise costs have now been allocated to the correct funds with no net impact on overall restricted funds but less specific restrictions on regional pots.

**General Service restrictions** - Funds donated specifically for services which comprises of donations to be spent locally on people we support and larger donations to be spent on building works.

**Edenbridge Legacy** - A specific donation of £1m from Mrs Potts for general use benefitting the people we support in Kent North – funds have been used to develop the hostel on site.

**Extra Special Trust** - donated £774k for the income to be used to provide people we support with exceptional items to enhance their lives.

**Tiverton Drop-in Centre** - In 2009 Sea Mead Charitable Trust donated £408k to support development of the Tiverton Drop-in Centre and to support an individual in his woodwork craft.

**Design for Life - East Midlands:** For the building and furnishing of 8 apartments in Kibworth Leicestershire.

**Design for Life - Lancashire:** A long term appeal headed primarily by Andrew Collinge and Joan McClarnon to refurbish buildings at Stanley Grange, Preston. The majority of these funds were transferred with the sale of Stanley Grange in the year ending 31st March 2016.

**West Sussex - Community Fund:** Since 2011 the Gerald Micklem Charitable Trust has donated £458k primarily for day services at Walberton concentrating mainly on Sussex Orchards. Money is given annually for the coming financial year.

**General Regional Funds** - Regional fundraising for general regional purposes, for future services and goods that are not funded by Local Authorities.

**Other grants & donations** - This includes individual smaller donations of less than £30k.

## 24. Pension Commitments

### (a) Home Farm Trust Retirement Benefits Scheme

During the year, the group operated a defined benefits pension scheme (the "RBS"). On 26 October 2005 the company ceased contributions to this scheme in respect of future accruals. The members of the scheme were offered membership of the new Group Personal Pension Plan with effect from 1 November 2005, as detailed in (b) below.

The scheme is administered by the Trustees of the scheme and provides benefits based on final pensionable salary. The assets of the fund are held independently from those of the group and are invested with Legal & General Investment Management, M&G Investments and Newton Investment Management. Contributions are assessed on the advice of an independent qualified actuary on the basis of valuations using the projected unit method. The most recent full valuation of the scheme was as at 31 March 2017.

In July 2008 the company granted the RBS a £1m floating charge over its assets. The costs to the group of funding the RBS are accounted for in accordance with the rules on accounting for defined benefit pension schemes in FRS102.

## FRS 102 - assumptions, asset, liability and reserves disclosures

The full valuation of the scheme as at 31 March 2021 was performed by the scheme actuary, an employee of Capita plc.

### Employee benefit obligations

The assets and liabilities of the scheme on an FRS102 basis were:

Group and Company	2021 £'000	2020 £'000
Fair value of scheme assets	13,087	12,313
Present value of defined benefit obligation	(13,375)	(12,544)
<b>Surplus/(deficit) in scheme</b>	<b>(288)</b>	<b>(231)</b>
Restriction on asset limit under paragraph 28.22 FRS 102	-	-
<b>Defined benefit asset/(liability) recognised in the balance sheet</b>	<b>(288)</b>	<b>(231)</b>

### Expense Recognised in the Statement of Financial Activities

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

Group and Company	2021 £'000	2020 £'000
Net interest on defined benefit liability	-	-
Restriction on net interest due to paragraph 28.22 FRS 102 asset limit	-	-
<b>Total recognised in statement of financial activities</b>	<b>-</b>	<b>-</b>

### Amounts taken to Other Comprehensive Income

Group and Company	2021 £'000	2020 £'000
Actual return on scheme assets - gains and (losses)	1,328	(3,033)
Less: amounts included in net interest on the defined benefit liability	(271)	(299)
Return on scheme assets excluding interest income	1,057	(3,332)
Actuarial gains and (losses)	(1,109)	385
Changes to the asset restriction under paragraph 28.22 FRS 102	-	2,716
<b>Re-measurement loss recognised in Consolidated SoFA</b>	<b>(52)</b>	<b>(231)</b>

### Changes in the present value of the defined benefit obligation

Group and Company	2021 £'000	2020 £'000
Opening defined benefit obligation	12,544	13,347
Benefits paid	(554)	(717)
Interest cost	276	299
Remeasurement (gains) and losses	1,109	(385)
Past service costs	-	-
Closing defined benefit obligation	13,375	12,544

### Changes in the fair value of scheme assets

Group and Company	2021 £'000	2020 £'000
Fair value of scheme assets at beginning of period	12,313	16,063
Interest income	271	299
Re-measurement gains and (losses)	1,057	(3,332)
Return on scheme assets excluding interest income	-	-
Contributions by employer	-	-
Benefits paid including expenses	(554)	(717)
<b>Closing fair value of scheme assets</b>	<b>13,087</b>	<b>12,313</b>

### The major categories of scheme assets as a percentage of total scheme assets:

Group and Company	2021 £'000	2020 £'000
Equities and other growth assets	0%	0%
Government bonds	0%	0%
Corporate bonds	0%	0%
Insured annuities	98.5%	98.2%
Cash	1.5%	1.8%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Pension costs are allocated solely against unrestricted reserves.

### Principal actuarial assumptions:

Group and Company	2021	2020 Per annum
Discount rate	1.85%	2.25%
Retail prices index (RPI) inflation	3.45%	2.75%
Consumer prices index (CPI) inflation	2.45%	1.75%
Future increases in deferred pensions	2.45%	1.75%
Rate of increase to pensions in payment	3.20%	2.70%
RPI (max 5% pa)	3.20%	2.70%
Discretionary increase (per 6/4/1997 pension)	none	none

### Post retirement mortality

S2PA tables with CMI 2013 projections subject to a long-term improvement of 1.25%.

### Cash commutation:

Members assumed to commute pensions benefits for tax free cash at retirement equal to 75% of the maximum permitted.

	2021	2020 Per annum
Future life expectancy of male aged 65 at balance sheet date	21.6	21.6
Future life expectancy of male achieving age 65 20 years after balance sheet date	23.0	22.9
Future life expectancy of female aged 65 at balance sheet date	23.6	23.5
Future life expectancy of female achieving age 65 20 years after balance sheet date	25.1	25.1

### (b) Group Personal Pension Plan

During the year, the company operated a Group Personal Pension Plan provided through Scottish Equitable plc. With effect from the date of commencement of automatic enrolment in to The Peoples Pension Scheme (see below), the Group Personal Pension Plan closed to new members.

The company contributions to this plan are dependent on individual contracts of employment, varying between 3% and 9% of earnings. Members of this plan will contribute a minimum percentage of earnings as defined by government policy.

The assets of the plan, which are held separately from those of the company, are invested with Aegon Plc. The pension charge for the year was £165k (2020: £202k). The charge for the year includes £66k (2020: £80k) contributed under an employee salary-sacrifice scheme. An amount of £8k was owing to the plan in respect of contributions as at 31 March 2021 (2020: £15k).

Contributions paid and costs incurred, by the company, are charged as expenditure in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes in FRS 102.

### (c) NHS Pension Scheme

Contributions have been made to the NHS Pension Scheme in respect of staff transferred to the company under the Bradford day services contract (since February 2012) and Oxford Vale contract (since September 2012).

The NHS Pension Scheme is an approved multi-employer defined benefit scheme. Hft is unable to identify its share of the assets and liabilities of the scheme at the balance sheet date and as such is treated as a defined contribution scheme in accordance with FRS102.

Contributions to the scheme are charged to the SOFA in the period in which they fall due. The current contribution rate is 14.38% as determined by Government Actuary using the Projected Unit Method. The amount charged to the SOFA was £201k (2020: £218k) and contributions owing to the scheme as at 31 March 2021 were £16k (2020: £17k).

#### (d) Local Government Pension Scheme

The company is classified as an admitting body for the West Yorkshire Pension Fund and Oxford County Council Pension Fund following the transfer of staff under the Bradford day services and Oxford Vale contracts.

The share of the deficit on each of these schemes attributable to the company has been calculated by the scheme actuaries and in the opinion of the Trustees is not material individually or in total. The schemes are accordingly accounted for as defined contribution schemes and contributions to the scheme are charged to the SOFA in the period in which they fall due.

The company's contribution rate payable to the West Yorkshire Pension Fund is 0% and to the Oxford County Council Pension Fund is in April 20 contribution rate was 19.9%, from May 20 - 5 members changed to 30.1% and 1 member to 23.8%. In Jan 2021 the 5 members decreased to 26.1% of earnings, as determined by the scheme actuary in each case.

The amount charged to the SOFA in respect of both schemes was £72k (2020: £50k) and contributions owing to the schemes as at 31 March 2021 were £5k (2020: £4k).

In respect of the NHS pension scheme, and the West Yorkshire Pension Fund and the Oxford County Council Pension Fund, the main contributory bodies to these 3 schemes are publicly funded statutory bodies. Hft is responsible, under the agreements by which it provides pensions from these 3 pensions funds to its staff, for the contributions in respect of those employees only, and has no liability for any other participating entities' obligations in respect of the schemes.

As a part of the new service in Flintshire Hft pays into the Clwyd Pension Fund. Contributions into the scheme are 20.1% and totalled £133k (2020 £147k) during the year with £10k (2020 £12k) owing to the scheme in respect of contributions.

#### (e) Care Fund Group Personal Pension Plan

During the year, contributions have been made to the Care Fund Limited group personal pension plan in respect of employees transferred on acquisition of the Care Fund group. With effect from the date of commencement of automatic enrolment into The Peoples Pension Scheme (see below), the Group Personal Pension Plan closed to new members.

The group contributions to this plan are dependent on individual contracts of employment, varying between 3% and 13% of earnings and are calculated based on individual salaries at 1 April each year.

Contributions paid and costs incurred, by the group, are charged to expenditure in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes in FRS 102.

The assets of the plan, which are held separately from those of the group, are invested with Standard Life plc. The pension charge for the year was £23k (2020: 26k). An amount of £2k was owing to the plan in respect of contributions as at 31 March 2021 (2020: £2k).

#### (f) The Peoples Pension Scheme

To meet its legal obligations, from its staging date of 1 September 2013, the group commenced automatic enrolment of staff into The Peoples Pension Scheme; the scheme operates under a multi-employer Super Trust.

In addition to the statutory contribution levels of 1% of salary, which will rise in coming years, the group will contribute a maximum of a further 3% of salary, to match an employee's voluntary increase.

Contributions paid and costs incurred, by the group, are charged as expenditure in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes in FRS102.

The pension charge for the year was £880k (2020: £847k). An amount of £71k was owing to the plan in respect of contributions as at 31 March 2021 (2020: £77k).

#### (g) Other pension schemes

During the year, contributions have been made towards schemes in respect of employees transferred on acquisition of the Care Fund group and the Edward Lloyd Trust. The group contributions to this plan are fixed amounts, dependent on individual contracts of employment.

Contributions paid & costs incurred, by the group, are charged as expenditure in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes in FRS 102.

The assets of the plan, which are held separately from those of the group, are invested with Scottish Equitable plc, Friends Provident plc, Nest and Legal & General. The pension charge for the year was £7k (2020: £9k). An amount of £0.4k was owing to the plan in respect of contributions as at 31 March 2021 (2020: £0.6k).

### 25. Financial Commitments

Total minimum commitments for non-cancellable operating leases are as follows:

	2021		2020	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Amounts payable within one year	684	493	831	653
Amounts payable between one and five years	1,913	665	1,909	1,005
Amounts payable in over five years	3,202	-	3,274	-
	<b>5,799</b>	<b>1,158</b>	6,014	1,658

### 26. Capital Commitments

There are no capital commitments to report.

### 27. Contingent Liabilities

There are no contingent liabilities to report.

## 28. Related Party Transactions

HF Trust Limited is the parent company within a group that prepares consolidated financial statements. The parent company has the following transactions with other group companies:

Hft has a loan of £10k due and an outstanding balance of £12k from Hft Trading Limited. A management charge of nil was incurred by Hft Trading Limited (2020: £1.6k)

Hft has no outstanding balance due from LUV2MEETU CIC. Costs of £74k were recharged to LUV2MEETU CIC (2020:£62k)

### (a) Related transactions in parent company for year ending 31 March 2021:

	Sales £'000	Purchases £'000	Debtor £'000	Creditor £'000
HFT Property Limited	-	-	-	3
HFT Trading Limited	-	-	22	-
Luv2meetU	-	-	-	-
<b>Total</b>	-	-	22	3

### (b) Related transactions in parent company for year ending 31 March 2020:

	Sales £'000	Purchases £'000	Debtor £'000	Creditor £'000
HFT Property Limited	-	-	1	-
HFT Trading Limited	-	-	35	-
Luv2meetU	-	-	-	-
<b>Total</b>	-	-	36	-

## 29. Capital

The charity is a parent company limited by guarantee. Each member has undertaken to contribute £10 to the assets of the group to meet its liabilities if called on to do so. The total amount guaranteed by members at 31 March 2021 is £1k (2020: £1k).

## 30. Financial Instruments

The company's financial instruments are as follows:






	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Financial assets				
Debt instruments				
Trade debtors	<b>4,379</b>	3,889	<b>4,339</b>	3,877
Accrued Income	<b>1,518</b>	1,679	<b>1,518</b>	1,679
Intercompany debtors	-	-	<b>10</b>	35
Loan due from Dimensions UK	<b>42</b>	42	<b>42</b>	42
Other debtors	<b>789</b>	560	<b>793</b>	560
	<b>6,728</b>	6,169	<b>6,702</b>	6,193
Equity Investments				
Listed investments	<b>6,882</b>	5,834	<b>6,882</b>	5,834
Financial Liabilities				
Mortgage loans	<b>250</b>	315	<b>250</b>	315
Interest free loans	<b>158</b>	158	<b>158</b>	158
Bank overdraft	-	-	-	-
Accruals	<b>3,961</b>	3,766	<b>3,961</b>	3,780
Trade creditors	<b>2,343</b>	916	<b>2,315</b>	903
Other creditors	<b>117</b>	253	<b>117</b>	253
	<b>6,829</b>	5,408	<b>6,801</b>	5,409

### Equity Instruments

Equity instruments that are listed on a regulated stock exchange are measured at fair value using observable market inputs. The inputs used in valuing the instruments include indexes provided by these regulated markets.

### 31. Restricted Funds Prior Year - Group and Company

	At 1 April 2019	Income	Expenditure	Fixed asset transfers	At 31 March 2020
	£'000	£'000	£'000	£'000	£'000
<b>General service restrictions:</b>					
Gloucestershire	149	45	(60)	-	<b>134</b>
Sheffield	23	12	(4)	-	<b>31</b>
The Wirral	27	19	-	-	<b>46</b>
Kent South	27	22	(14)	-	<b>35</b>
South Oxfordshire	126	22	(15)	-	<b>134</b>
Herts & Essex	61	22	(6)	-	<b>77</b>
Devon East	44	4	(35)	-	<b>13</b>
Devon North East legacy	312	-	-	-	<b>312</b>
Leeds	56	26	(4)	-	<b>78</b>
Bedfordshire	53	22	(3)	-	<b>72</b>
Arden Vale	65	12	(50)	-	<b>27</b>
Cornwall	9	34	(24)	-	<b>19</b>
Cornwall (RMH)	17	-	-	-	<b>17</b>
Kingston-upon-Thames	72	15	(16)	-	<b>71</b>
North Oxfordshire	44	25	(5)	-	<b>64</b>
Bristol	7	4	(3)	-	<b>9</b>
Bradford	76	10	(25)	-	<b>61</b>
Kent North	212	67	(10)	-	<b>269</b>
Sussex	214	202	(137)	-	<b>279</b>
Shropshire	34	12	(3)	-	<b>42</b>
Leicestershire	22	10	(9)	-	<b>23</b>
London	17	22	(6)	-	<b>33</b>
Wiltshire	117	12	(4)	-	<b>125</b>
Lancashire	2	1	(4)	-	<b>-</b>
Newcastle	16	1	(1)	-	<b>16</b>
Forest of Dean	10	1	(4)	-	<b>7</b>
Flintshire		43	(6)	-	<b>37</b>
Other project grants: L2MU, PT	183	451	(273)	-	<b>361</b>
Newcastle Edward Lloyd Trust	877	-	-	-	<b>877</b>
<b>Other restrictions:</b>					
Edenbridge legacy	645	-	-	-	<b>645</b>
Extra Special Trust	774	-	-	-	<b>774</b>
Tiverton Drop-In Centre	57	-	-	-	<b>57</b>
Design for Life - East Midlands	408	-	-	-	<b>408</b>
Design for Life - Lancashire	53	-	-	-	<b>53</b>
West Sussex - Community Fund	137	-	-	-	<b>137</b>
Others Grants & Donations	498	-	-	-	<b>498</b>
Restricted project fund	5,444	1,116	(721)	-	<b>5,835</b>
Restricted fixed asset fund	12,946	-	(473)	-	<b>12,473</b>
<b>Total restricted funds</b>	<b>18,390</b>	<b>1,116</b>	<b>(1,194)</b>	<b>-</b>	<b>18,312</b>

-  [hft.org.uk](https://hft.org.uk)
-  [Hftlearningdisabilities](#)
-  [Hftonline](#)
-  [Hft](#)
-  [Hftlearningdisabilities](#)
-  [HftTV](#)

