Waythrough

England & Wales · Charity number 515755

Details

Other names	DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED, HUMANKIND CHARITY, D I S C LTD, DISC
Status	Registered
Legal form	Charitable company
Company number	01820492
Registered	1984-11-05
Register	View on the Charity Commission register

Contact

Address	Waythrough Unit 22 Bowburn North Industrial Estate Bowburn Durham DH6 5PF
Phone	01325731160
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Website	https://www.waythrough.org.uk/

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Activities

Objects: OBJECTS3 The objects ("the Objects") for which the Charity is established are for general charitable purposes in order to provide support and assistance to individuals who may be socially excluded and seeking to improve their quality of life, to become fully integrated members of Society, in particular by:3.1 providing assistance and support in the relief of physical and mental health problems of persons in need by reasons of substance use, abuse or dependency, including alcohol and drugs;3.2 providing assistance and support in the prevention of harm by reasons of substance use, abuse or dependency including alcohol and drugs;3.3 relieving the hardship of those in need by reasons of youth, age, infirmity, physical or mental disability, poverty or social and economic circumstances by the provision of social housing and housing support;3.4 the relief of unemployment and advancement of education (including sustainable training for employment or work) for the benefit of the public generally and in particular such persons who are in need due to the lack of educational or skills attainment or who otherwise require assistance in gaining employment;3.5 the relief of poverty, hardship (financial or otherwise) and distress among children, young people, families and other members of society in necessitous circumstances by providing and assisting in the provision of such facilities, advice and support as may be required to improve their conditions of life; and3.6 assisting in the preservation and protection of health, and in the treatment and care of persons suffering from mental or physical health conditions or illnesses or in need of rehabilitation as a result of the same, through the provision of clinical and other services and support.

Activities: Waythrough was formed from the merger of Humankind and Richmond Fellowship. We work with people with complex, multiple needs and disadvantages and are committed to multi disciplinary working within our own teams and with external agencies. Our main areas of work focus are substance misuse, mental health challenges, residential support, families and young people, training and employment.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Disability, Accommodation/housing, Economic/community Development/employment, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Defined Groups, The General Public/mankind

Geography

- Throughout England

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Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£165,226,000	£165,242,000	£64,561,000	3183
2024-03-31	£101,448,502	£100,912,723	£16,320,735	1831
2023-03-31	£80,528,637	£79,350,864	£15,746,692	1598
2022-03-31	£70,852,215	£69,070,922	£14,464,511	1474
2021-03-31	£65,112,980	£62,126,416	£12,629,218	1410

Trustees

Name	Role	Appointed
Carolyn Regan	Chair	2024-06-01
Caroline Gitsham		2018-12-12
Danielle Oum		2024-06-01
Ian Edward Ayling		2024-06-01
Ian MACQueen		2020-04-01
James Walder		2023-01-04
Maureen Hopcroft		2024-06-01
Paul John Najsarek		2024-06-01
Selina Douglas		2021-09-28
Susan Anne Moore		2024-06-01

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Waythrough

England & Wales - Charity number 515755

Accounts

Registered number: 01820492
Charity number: 515755

Waythrough

Annual Report and Financial Statements for the year ended 31 March 2025

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WAYTHROUGH GROUP TRUSTEES AND ADVISERS

TRUSTEES	Carolyn Regan, CBE – Chair *(joined 01 June 2024)* Caroline Gitsham, MBE - Vice Chair and Senior Independent Director Ian Ayling *(joined 01 June 2024)* Kapil Bakshi *(joined 01 June 2024)* Alex Boyt *(resigned 31 May 2025)* Selina Douglas Maureen Hopcroft *(joined 01 June 2024)* Ian Macqueen Susan Moore *(joined 01 June 2024)* Paul Najsarek *(joined 01 June 2024)* Danielle Oum *(joined 01 June 2024)* Bhakti Seth (*resigned 31 May 2025)* Sarah Shepherd James Walder
COMPANY SECRETARY	Andrew Whitley (*resigned 1 August 2025)* June Riley *(appointed 1 August 2025)*
CHIEF EXECUTIVE OFFICER	Paul Townsley
SOLICITORS	Womble Bond Dickinson LLP St Ann's Wharf 112 Quayside Newcastle upon Tynes NE1 3DX
BANKERS	Barclays Bank 49-51 Northumberland Street Newcastle upon Tyne NE1 7AF Lloyds Bank Plc 4th Floor 25 Gresham Street London EC2V 7HN
INDEPENDENT AUDITOR	S&W Audit Statutory Auditors Chartered Accountants 45 Gresham Street London EC2V 7BG
REGISTERED OFFICE	Inspiration House Unit 22 Bowburn North Industrial Estate Bowburn Durham DH6 5PF
COMPANY REGISTRATION	01820492
CHARITY NUMBER	515755
REGISTERED PROVIDER OF SOCIAL HOUSING	4713

WEBSITE: www.waythrough.org.uk

Introduction from the Chair of Waythrough

This is the second Annual Directors Report and Accounts introduction that I have written as Chair, having previously been Chair of Recovery Focus, but I am delighted that this year I am doing so as the Chair of the newly launched Waythrough.

It has been a transformational year; bringing together two organisations, both of which were pioneers in their respective work, has required considerable work and investment. Throughout this work, we kept the people who access, or could access, our services at the very heart of what we do; we built on the two preceding organisations' strong reputations and heritages, their reach, the depth and breadth of their specialisms and their combined impact. This culminated firstly in June 2024 when we completed the legal process to merge and then in October 2024, when we launched our new collaboratively developed identity, vision and operating model through a series of celebration events and our new website http://www.waythrough.org.uk/.

Alongside our subsidiary, Aquarius, we now stand to benefit from this investment. Offering a wide range of different delivery models to over 130,000 people across the country facing multiple disadvantages, Waythrough is actively focused on developing more integrated and comprehensive models of support which better address the needs and aspirations of the full range of individuals who access our services.

Throughout the considerable relaunch of our organisation, our services have continued to undertake a critical role in our service users' lives, from delivering large community drug and alcohol treatment services through to a small social enterprise or floating housing support services. This is evident from the 8,812 people successfully moving on from our drug and alcohol services, ready for their next chapter; our staff distributing over 7,000 Naloxone kits (which reverse potentially fatal opiate overdoses), and over 15,000 people who needed support due to mental health and wellbeing challenges sought that support from us. We have also made major investments this year to create a new mental health crisis house in Hertfordshire and sourced new homes for local authority homeless nominees with key commissioners, and we are currently developing new drug and alcohol support services for adults in North Tyneside and for young people in the London Borough of Bexley.

This investment and work undertaken over this year will importantly also stand us in good stead for the future and find us better able to meet the individual needs of those facing multiple disadvantages. We have a team of senior leaders in place who will take the organisation into its next chapter, shaping and leading a co-produced strategy which will be launched in 2026 and define the expectations and bold ambitions of our new organisation over the next 10 years. Developed through ongoing collaboration and discussion with those that we support, our colleagues and trustees, I look forward to sharing and launching this with you all next year.

Most importantly, none of this work would be possible without the considerable work and support of our staff. We exist to help people find a way through, to walk alongside those who want to make a positive change in their lives and are often affected by some of the deepest inequalities in our society, and we can only do that through our staff, volunteers and commissioning and delivery partners. I would like to thank everyone who has been part of our evolution to become Waythrough.

This includes those who have played a significant role in shaping the two predecessor charities. Eric Feltin and Chris Matthews-Maxwell (Humankind) and Rachel Perkins and Jon Royle (Richmond Fellowship) retired from our predecessor charity boards after remarkable service, and a year on from our merger, we are losing Alex Boyt and Bhakti Seth as trustees. As well as their extensive service and contributions, they played important roles in forming Waythrough and ensuring that it can better respond to the needs of the people we serve. The Board and I personally owe them a debt of gratitude, as we do to Caroline Gitsham, now Vice Chair, and previous chair of Humankind.

Last, but certainly not least, I want to extend my sincere thanks to all the staff and volunteers, the senior team under the leadership of CEO Paul Townsley and the Board of Trustees for their vision and support.

Carolyn Regan, *Chair Waythrough*

REPORT OF THE BOARD

KEY HIGHLIGHTS

Across England, we supported 130,000 people. This map clearly illustrates the areas in which we operate. Our regional divide enables us to provide services at a local level.

North-East, Cumbria & social enterprise

We provided residential services from 353 owned properties, 482 managed homes, 67 beds in registered care homes and 79 beds in short-term crisis centres.

Yorkshire & North-West

As at 31 March 2025, we were delivering 260 separately commissioned contracts for 108 separate commissioners (mainly NHS and local authority)

Our total income for the reporting year was £163.9m (2024: £156.4m), total net expenditure was £1.3m (2024: Income of £3.4m), our net assets £64.6m (2024: £64.4m), and our unrestricted reserves £47.1m (2024: £48.3m).

South & Midlands

For 2025, 7,357 responses were received from people who access our services. 97% said they would recommend us to a friend or family member.

STRATEGIC REPORT

Our Group continues to comprise Waythrough and Aquarius Action Projects (Aquarius). Waythrough and Aquarius are both registered charities, and Waythrough is also a registered provider of social housing.

In December 2023, Humankind and Richmond Fellowship announced the decision to merge to form a new national charity to better support people facing multiple disadvantages. The organisations legally merged in June 2024, with Aquarius as a subsidiary. In October 2024, we changed our name to Waythrough.

As a Group, we aim to break down the barriers that stop people from getting the support they need to live a life they value. Over the years, we've developed an array of support services to do that, and become specialists in mental health, alcohol, drugs and related areas along the way.

OUR ACTIVITIES AND MODELS TO SUPPORT PEOPLE

Our high-quality, evidence-based services are tailored to meet the needs of the people we serve. At Waythrough, we work with our commissioners, partners, and the people we support to develop/deliver services which meet the needs of those facing multiple disadvantage(s). Our principal activities are as follows:

- **Drug and Alcohol support**: our services provide support to those impacted by drink and drug use. Our staff support individuals through a combination of case management and psychosocial interventions, clinical support, and aftercare, in partnership with a range of other charities, NHS trusts and community groups.
- **Mental Health**: We provide a range of different mental health services, from our crisis services and safe havens which provide short-term interventions for individuals in crisis, to our community-based support services that utilise peer support, allowing people to receive help from others who have faced similar issues.
- **Supported housing**: Our supported housing services range from 'floating support' services, which support people in emergency accommodation, hostels and independent tenancies, to houses we own and manage as a social landlord. Our model includes both intensive 24-hour support for those who need it, and a 12-hour support model with help throughout the day and an on-call system at night.
- **Criminal Justice**: We support people in the community, court, prison and post-release. In the North-East, we support people across prisons with drug or alcohol needs and post-release via our 'through the gate' services. We also operate liaison and diversion schemes, and support people issued with Drug Rehabilitation Requirements (DRRs) and Alcohol Treatment Requirements (ATRs).
- **Employment and skills**: Working with people to build their skills and confidence can be one of the best ways to support their recovery and growth. For example, in Tees Valley we support people into training, education and employment through our Tees Valley Employability Partnership, with support from the National Lottery Community Fund. Additionally, we are specialists in Individual Placement Support (IPS), involving intensive/personalised support, rapid job searches and continuing in-work support.
- **Young people and families**: We offer a broad range of services to young people and families, delivered nationally, including those with drug and alcohol support needs and alternative education. For example, our Education Centre supports young people aged 16-19 who have faced significant barriers in their education, using a bespoke curriculum based around their needs. We're proud to be part of Investing in Children (IiC), which recognises good practice and inclusion of children and young people in service/organisation change.
- **Domestic Abuse**: We work with both survivors and perpetrators of domestic abuse to keep people safe, get them the support they need, and ensure the people responsible for abuse take responsibility for their actions. We also support young people affected by domestic abuse through children's therapy, and young people who use abusive behaviours towards their parents/carers or partners through YUVA (Young People Using Violence and Abuse).
- **Social Enterprise**: we run a range of social enterprises that provide an income stream and employment opportunities, training, and development for the people we support. Art Matters, in Redhill, Surrey, enables people with mental health challenges to produce creative work, gaining skills and opportunities. The Old Moat garden centre in Surrey provides people facing similar issues to volunteer/work on vocational qualifications in horticulture and retail. MoreTime, provides repairs, cleaning and maintenance services.
- **Gambling Services**: we provide support, information, and advice to anyone affected by gambling, providing specialist services tailored to young people, adults and their family or friends.

Our Group Strategy, Corporate Plan and Business Models

In the first year of the merger, we focused on our eighteen-month 'Coming Together Strategy', which was launched in October 2024 and brought together the existing Humankind and Recovery Focus strategies until April 2026, when our full new strategy will be launched.

The 'Coming Together' strategy focuses on three areas:

1. **Delivering quality services** that have the people we support at the centre of everything we do, focusing on ensuring our services are the very best they can be.
2. **Developing local service provision** to enable holistic place-based support so that more people get the support they need, focusing on local partnership and developing and sharing good practice across the new organisation.
3. **Coming together** to create our new foundations, focusing on 'merging well', developing a new strategy and greater awareness of our fresh mission and identity.

We have developed a clear identity and are committed to upholding our promise and values:

- **Our vision** is to break down the barriers that stop people getting the support they need to live a life they value.
- **Our Promise** is that wherever you are now, we won't judge or write you off; we'll help you work out who you want to be and where you want to go. And we will stick with you until you're ready to move on.
- **Our Values:**
  - **Kindness**. Be generous, caring and compassionate
  - **Courage.** Be bold, trust, commit
  - **Respect.** Everyone deserves dignity

To achieve our strategy, we set ourselves three clear goals, supported by two key enablers:

Goals & Enablers	Outputs
Goal 1 **Deliver quality services that have people we support at the centre of everything we do**	• Ensure we meet/exceed quality standards • Ensure our contracts are high performing • Build our services to enable equity in outcomes and opportunities for the people we support • Create a combined Working Together plan to ensure we design our services alongside people we support
Goal 2 **Develop local service provision to enable holistic place-based support so that more people get the support they need**	• Understand, plan and develop service provision within the areas we work, in line with best practice models, and to meet local needs • Continue to build partnerships and relationships with local organisations to meet local needs • Deliver against the Drugs Strategy, and work towards sustainability of funding • Build new ways of working to identify best practice, create and share models of support internally
Goal 3 **Come together to create our new foundations**	• Understand our influence and develop an impact plan. • Innovation & research - Develop evidence-based models for future service provision • Co-produce a new 10-year strategy for long-term change

Enabler 1 **Support, develop and retain our workforce – building on a values-driven culture -**	• Develop a strong culture, reflecting our values, creating a settled workforce, and giving time for people to adjust to change • Reward. Build a collaborative, inclusive and supportive working environment for the workforce, where people feel valued and recognised • Align and implement our workforce and retention approach • Create, develop and retain a well-led, high-performing and committed workforce and leadership group
Enabler 2 **Build a robust and sustainable business model**	• Retain our existing contracts, seeking to secure new contracts for growth • Understand and review the economic sustainability of existing contracts and the ways we work • Implement plans to achieve the UK government's Net Zero and NHS Green Plan targets • Drive forward the use of technology to improve the efficiency of what we do • Integrate our systems and ways of working • Develop a sustainable finance plan with clear positions on reserves and investments for the future • Maintain our property portfolio, and continue to retrofit, repurpose and refurbish properties

REVIEW OF THE YEAR AND KEY PERFORMANCE INDICATORS

Financial performance in the year

We have been working hard to bring the two organisations together, which has included significant investment in full integration, maintaining a strong reward offer for staff, launching new systems and driving innovation.

Integration

A one-off investment of £2.69m was made from reserves this year to support the integration of Humankind and Richmond Fellowship, following our merger on 1 June 2024. This included expenditure on legal, professional, and consultancy support to ensure a smooth transition. A key outcome was the successful creation of a shared identity and brand, culminating in the launch of ***Waythrough*** on 1 October 2025. This new identity reflects our shared values, vision, and promise to the people we support, our staff, and our stakeholders.

As part of the integration process, we are realigning our systems, processes, and workforce, with expected benefits to be realised in the coming year. To date, we have identified synergy savings of £3.9m through to the end of 2026/27, and we will continue to monitor any additional financial benefits resulting from the merger. We expect the total revenue cost investment in the merger and integration to be paid back by the end of FY26/27.

Our drive to modernise continued with significant investment in ICT infrastructure and cybersecurity. Total investment in other fixed assets, including IT, fixtures, freehold offices, and leasehold buildings, was £4.22m (2024: £3.96m).

Developments

Revenue increased by 4.8%, reaching £163.71m in 2025 (2024: £156.21m). This growth reflects a successful contract mobilisation programme, bringing in new contracts. We continue to see growth in our commissioned services, particularly in mental health crisis houses, gambling services, drug and alcohol services, liaison and diversion services and employment support services. Examples include Leeds Operational Delivery Network (ODN) funding, Bexley Young People's Drug and Alcohol Services, North Tyneside non-clinical drug and alcohol services and Bradford Homelessness Service for Women.

We have also taken the decision not to bid to retain or hand back some of our increasingly unviable services, mostly in housing support, in line with our strategic priorities and service transformation plans.

Staff & Culture

Despite many of our services not funding salary increases or the Real Living Wage, we have continued to make our reward offer competitive. This commitment was also maintained as we faced cost-of-living pressures. We continue to be a Real Living Wage employer and to offer further enhanced terms and conditions to all staff, which places upward pressure on costs, while many of our support contracts have remained flat. Despite these challenges, we remain committed to investing in our staff.

Housing

We remain committed to investing in and maintaining high-quality homes. In 2024-2025, we spent over £5.25m on developments, up from £3.39m in 2023-2024. This included component replacement and critical fire safety works. Notably, we invested in two Aquarius properties to provide stable accommodation for young people in the community, as well as a property in Hertfordshire for the development of a new crisis house. These improvements contributed to a group net asset portfolio of £64.56m (2024: £64.39m). Three properties were sold after becoming vacant at the end of their contracts, resulting in a net surplus of 0.35m.

Voids in our social housing portfolio remain a challenge, which we are actively addressing through targeted interventions and engagement with tenants and commissioners.

To support our mission and diversify our income, we continue to generate revenue from market-rented properties, providing much-needed and highly sought-after homes in London.

The final outturn for the year was supported by a net gain of £0.25m from the revaluation of investment properties. This included a £0.50m uplift from revalued market rental properties, offset by a £0.25m decline in the fair value

movement of the investment funds, which was negatively impacted by the US decision to raise tariffs, which had an adverse effect on the markets. This compares to a £0.28m positive impact in 2024.

Interest and dividend income from treasury deposits declined slightly to £1.17m (2024: £1.27m), reflecting our call on cash to fund investments.

Pensions

Waythrough is the sole employer of the 2Care Pension and Life Assurance Scheme. The net value of the pension scheme reserve increased slightly, bringing the reserve total to zero. The Scheme remains in surplus and financially strong, with future liabilities not reflected in the current movement. As at 31 March 2025, the surplus in the Scheme was £1.98m compared with £1.74m as at 31 March 2024. This is before the effect of any asset ceilings applicable. Applying an asset ceiling caps the surplus to nil as at 31 March 2025.

Cash and Reserve Balances

The Group's cash balance reduced from £29.80m to £21.80m, which comfortably meets our obligations and provides a stable foundation for long-term sustainability. Reserves remain strong at £64.56m (2024: £64.39m).

The table below sets out key financial indicators for the past two years.

FINANCIAL REVIEW AND TWO-YEAR SUMMARY

Financial highlights in £'000	**2025**	**2024**
*Statement of comprehensive income**		
Rental income and service charges	10,421	10,973
Non-rental income	153,285	145,236
Total revenue	**163,706**	**156,209**
Operating cost	162,554	152,352
Core operating surplus / (deficit)	**1,152**	**3,857**
Non-recurring cost	2,688	636
Operating surplus / (deficit)	**(1,536)**	**3,221**
Fair value gain/(losses) on investment properties	494	587
Fair value gain/(losses) on investments	(250)	278
Surplus on disposals	348	235
Operating surplus / (deficit)	**(944)**	**4,322**
Net interest & investment income/(loss)	1,172	1,273
Actuarial (Loss)/Gain on pensions obligations	(59)	3
Surplus / (deficit) for the year	**169**	**5,598**
Group Cash & Cash Equivalents	**2025**	**2024**
Opening Cash balance	29,801	29,908
Net Cash from operating activities	(8,007)	(107)
Closing Cash Balance	**21,794**	**29,801**
Statement of Financial Position	**2025**	**2024**
Non-current assets	47,147	43,697
Current assets	52,632	59,188
Current liabilities	(22,750)	(27,788)
Long-term creditors	(12,468)	(10,704)
Net assets	**64,561**	**64,392**
Restricted funds	14,549	12,708
Unrestricted reserve	50,012	51,637
Pension reserve	0	47
Total reserves	**64,561**	**64,392**
Financial Statistics	**2025**	**2024**
Surplus for the year as % of turnover	0.10%	3.58%
Operating margin	(0.94%)	2.06%
Operating cost as % of revenue	100.94%	97.94%

Statement of Comprehensive Income as an additional disclosure to the SOFA in the financial statements.

Reserves policy

Following the review of our reserves policy, we believe that the target level set is sufficient for the needs of our organisation. Our reserves policy is set at an equivalent of two months' salary and two weeks of other operating costs. Such a level of reserves would provide a buffer, enabling the organisation to make provisions for the loss of a major service while maintaining effective management and administration of the charity. These reserves also provide working capital to enable the development of service provision.

Based on the above, the target reserves would have needed to be £18.9m. The actual free reserves balance of £31.3m meets our target. We will continue to review the requirements for establishing an appropriate reserve policy to ensure we can continue to meet our group aspirations in the future.

PEOPLE WE SUPPORT – OUR IMPACT.

Examples of our impact in 2024/25 include:

Service User Feedback

- A total of 7357 responses were received from people who access our services, who provided the following feedback:
    - People surveyed gave our services an average satisfaction score of 4.8 out of 5.
    - 97% of people said that they would recommend us to a friend or family member.

Volunteers

- Volunteers across our services gave a total of 49,482 hours; an average of 951 hours for each week of the year (volunteer hours have not been included within the financial statements as a donation).

Drug and Alcohol Recovery

- 8,994 adults exited our services in a positive, planned way having achieved abstinence or reduced their use – a 12% increase on 2023/24.
- Each day on average, 25 people successfully complete treatment from our services, drug or alcohol free.
- 5,380 Naloxone kits were given out to people accessing our Drug & Alcohol services.
- 9,497 Hepatitis C tests have been carried out with people accessing our Drug & Alcohol Services, with seven of our services either micro-eliminated or re-eliminated.

Independent Living & Housing Services

- In 2024/25 our independent living and housing services supported 4697 people.
- 368 people (93%) receiving 'floating support' were successfully supported to obtain accommodation or to keep their existing tenancy when it was under threat.
- 1858 people were supported to leave our services in a supported, planned way. 90% of people's desired outcomes were achieved.
- 131 were supported to obtain employment or training opportunities.

Housing

- 510 vulnerable people have been accommodated – 301 of which have been housed within our commissioned supported accommodation services.
- 77% of residents have been supported to move into secure, permanent housing (non-commissioned services only).
- 630 people were accommodated in our 12-hour or 24-hour supported housing services in 2024-25.

Work & Skills

- Our Steps for Success Service during 2024/25 achieved 81 learners aged 16-18, and up to 24 (if they have an EHCP) have been enrolled on Waythrough's Steps for Success Study Programme.
- 138 started a voluntary placement.
- 66 Started a work trial or placement.

PRINCIPAL BUSINESS RISKS AND UNCERTAINTIES

The Group Executive Management (GEM) is responsible for reviewing and overseeing the risk register quarterly, ahead of presenting it to the Board's Audit and Risk Committee, thereby providing essential Board oversight and engagement. Quality systems and audit checks are embedded in our service delivery, and we comply with various audit frameworks, including those of the Care Quality Commission (CQC), Ofsted, and the regulatory standards set by the Regulator of Social Housing.

The risk review process comprises the following key elements:

- **Group risk register**: This register identifies risks and their interrelationships while aligning closely with our strategic priorities. It emphasises the direction of risk and outlines actions to address controllable risks. It also adapts our frameworks to manage the effects of less controllable risks.
- **Operational and functional risk registers**: These registers support the corporate register and allow reporting of emerging risks. We actively manage risks on a day-to-day basis by fostering a strong risk culture.
- **Board Assurance Framework** (BAF) We have adopted a BAF that brings together in one place all of the relevant information on risks to the Board's strategic objectives. *It is a structured means of identifying and mapping the main sources of assurance in an organisation and coordinating them to best effect (HM Treasury guidance on BAF, 2012).* It assures the Board that Waythrough is well run by;

    a. Providing a strategic higher-level view of our risks, how we are controlling/mitigating them and any gaps.
    b. A structured means to present and map these.
    c. Engaging the committees and the full Board in assurance and informed strategic decision-making.

Our internal auditors play a crucial role in supporting these risks and provide a third line of assurance. They collaborate with us to design and enhance our controls and support us in reviewing the effectiveness and integrity of our risk management practices.

Following the merger, integration risk was actively managed through the establishment of a shadow board and a dedicated Programme Management Office (PMO) to oversee and support change. The shadow board provided strategic oversight and ensured alignment of objectives across the newly combined organisation, enabling early identification and mitigation of potential risks. The PMO coordinated key workstreams, tracked progress against the integration plan, and provided consistent reporting to senior leadership. This structured approach ensured decisions were well-informed, risks were managed proactively, and the organisation remained focused on maintaining service continuity while delivering the benefits of the merger.

Like most in the sector, one of our principal resource risks over the last year was related to high levels of staff turnover, ensuring that services always had the appropriate staffing levels, while prioritising continuity of care for the people we support. Recruitment and staff turnover remain a challenge in the sector; however, despite the merger, staff turnover was at 23%. A key strategy was to support, develop and retain our workforce. We have been driving this by developing a strong culture which reflects our values, whilst giving people time to adjust to change. We are building an inclusive working environment for our people where they feel valued and recognised.

The principal risks and uncertainties we face include reduced contract viability and ongoing cost pressures, alongside demanding inspection standards, contract targets, and performance outcomes. Our management strategies to mitigate these risks include conducting rigorous contract sustainability reviews, evaluating bids and associated liabilities, engaging with staff, and implementing a comprehensive induction programme.

Another key risk relates to some contracts not receiving sufficient funding to deliver increasing activity levels, which, if continued, could compromise service safety and impact. While we work closely with commissioners to support their objectives wherever possible, there are occasions when we must make strategic decisions to withdraw from contracts that are no longer financially sustainable, or where to become financially sustainable

would compromise their safety and quality. Given the broader economic climate, we do not anticipate this risk diminishing in the near future. Nonetheless, we continue to explore innovative approaches to service delivery, ensuring we remain responsive and competitive in the marketplace.

A further emerging risk is the growing threat of cybersecurity breaches. We utilise external accreditation frameworks to ensure we are taking all reasonable steps to manage this ongoing threat. Additionally, we offer comprehensive training for all staff to enhance their awareness and vigilance. Some cybersecurity concerns are closely linked to the evolving nature of fraud, which we continue to monitor and address proactively.

COMPLIANCE WITH OUR STATUTORY DUTIES UNDER SECTION 172 OF THE COMPANIES ACT.

The Directors of Waythrough always act in good faith, believing that their actions are most likely to promote the company's long-term success for the benefit of those we support, while also addressing the immediate needs of our current beneficiaries. In accordance with our duties under section 172 of the Companies Act 2006, the Directors have had regard to the following matters:

(a) the likely impact and consequences of all immediate and long-term decisions, with social and financial returns clearly outlined alongside wider impact assessments.
(b) the interests of our stakeholders by working closely with and listening to issues raised by the people we support, our staff (including volunteers), our commissioners, regulators, suppliers, and customers. We take all feedback seriously to help us uphold this commitment.
(c) the impact of our services and their delivery on local and wider communities, as well as the environment, while continuing to provide value-for-money services.
(d) maintaining a reputation for high standards of business conduct, reflected in how our staff approach their work and our expectations of our partners and providers; and
(e) the need to act fairly between all members of the company.

For example, during the past year we have engaged directly with service users, employees, volunteers, and commissioners through structured consultations and forums. Feedback from these sessions directly informed decisions around service redesign, workforce development, and investment priorities.

We recognise our wider environmental and social responsibilities and have taken steps to minimise our environmental footprint, improve sustainability in procurement, and support long-term community resilience.

The Board also carefully considers potential risks and competing priorities when making decisions, balancing the organisation's financial sustainability with the needs of our beneficiaries and regulatory requirements. These considerations are reflected in our governance structures and reviewed regularly.

Throughout this report, we reference examples of how we have carried out our operations in this manner over the past year, alongside relevant targeted improvement plans. Further details of our stakeholder engagement, risk management, and environmental initiatives can be found in the Strategic Report and Risk & Governance sections of this document.

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DIRECTORS REPORT

FINANCIAL RISK MANAGEMENT

We proactively aim to minimise our risk exposure wherever possible. A potential significant risk is the credit risk from bank balances. We also encounter market risk from listed investments and liquidity risk from our trade debtors. Much of our trade debt by value is owed to the government in one form or another, so the risk of debtor default is ultimately regarded as insignificant.

The Group has a treasury policy that underpins how our liquid resources are managed. The policy includes liquidity limits, investment security, and approved counterparty ratings. It is regularly monitored by the Board and reviewed in consultation with our treasury advisers. Investments are split between the Cazenove Charity multi-asset fund, Greenbank, and CCLA-COIF's ethical fund (relatively low-risk funds), portfolios that engage only with opportunities that can demonstrate high ethical standards. Investment managers present regularly to our Finance and Investment Committee to ensure that the evidence of these standards is robust and reliable.

We remain free of loan financing, so covenants, gearing, and securitisation are not risks for us.

We continue to pursue a strategic approach to utilising our reserves.

POST BALANCE SHEET

The Sector Group Limited ("TSG"), number 7738950, was dissolved on 26 August 2025. Andrew Whitely, the company secretary, retired on 1 August 2025 and was replaced by June Riley. There are no further material post-balance sheet events to disclose.

OUR PEOPLE: DRIVING QUALITY AND IMPACT

At Waythrough, our dedicated workforce and volunteers are at the heart of everything we do. Their commitment and passion are vital in delivering high-quality operational services to the people and communities we serve.

Over the past year, we have taken significant steps to enhance our support for those who work and volunteer with us. A key focus has been on reviewing and refining our total reward offer to ensure it reflects the needs and aspirations of our people. We actively sought feedback through surveys and engagement sessions, which have informed the development of a more meaningful and responsive package. We have also introduced and embedded a new organisational values framework—**Kindness, Courage**, and **Respect**—which now underpins everything we do. These values guide our behaviours, shape our culture, and strengthen our shared sense of purpose across the organisation.

Talent development remains a central priority. We are committed to creating a welcoming, inclusive, and supportive environment from day one, offering clear opportunities for growth and progression. Our approach is underpinned by our Thrive training programme, which has embedded psychological safety as a core element of our workplace culture.

Listening to our people is fundamental to shaping how we work. Through regular workforce surveys and our open-door scheme with executive leaders, we've created clear channels for staff and volunteers to share their voices, influence decisions, and help shape the future of Waythrough. In parallel, we have been streamlining systems and processes to enhance service delivery and ensure operational excellence. These improvements have enabled our support teams to work more efficiently and effectively, ensuring frontline services are empowered and resourced to make the greatest impact. Together, our people are not only delivering services, but also shaping a stronger, more compassionate, and high-performing organisation.

Waythrough Group actively works to prevent unintentional contributions to Modern Slavery. Our Group Statement in support of this cause is available on the Waythrough website (Statement on modern slavery - Waythrough).

The following indicators are taken from across the Waythrough Group for 24/25:

Metric	Waythrough Group
Headcount	3044
Volunteers	318
% Voluntary Turnover	23%

The following workforce data is reported as at 31st March 2025 for Waythrough:

- The Group's workforce is split by 73% female and 26% male across the group.
- 15% of the Group's workforce self-classify their ethnicity as other than white.
- 32% of the Group's workforce consider they have a disability.
- 26% of the Group's workforce consider they have a lived experience of the issues that our services currently support.

Championing Inclusion and Belonging

We are deeply committed to fostering a diverse and inclusive workforce where everyone feels they truly belong. Over the past year, we have strengthened our focus on equity, inclusion, and representation across all levels of the organisation. Our initiatives have included inclusive recruitment practices, staff-led networks, and dedicated learning opportunities that help build awareness and understanding of different lived experiences. We know that creating a culture of belonging is an ongoing journey, and we are proud to be creating spaces where people feel seen, heard, and valued for who they are.

Fair and Transparent Pay

Waythrough is committed to fairness, equity, and transparency in pay across all levels of the organisation. Our pay policy ensures that remuneration is proportionate, benchmarked against comparable roles in the sector, and aligned with our values and charitable objectives. All decisions on senior pay are subject to scrutiny and governance by our Board of Trustees, with clear justification and alignment to performance and impact. This approach supports trust and accountability, both internally and with our stakeholders.

Promoting Health and Wellbeing

At Waythrough, we recognise that the health and well-being of our employees is essential to sustaining a positive, productive, and supportive workplace. We are committed to fostering a culture that promotes mental, physical, and emotional well-being across the organisation.

Our wellbeing offer includes access to a range of support services, such as an Employee Assistance Programme (EAP), mental health first aiders, wellbeing champions, and flexible working arrangements to help individuals balance work and personal responsibilities. We also promote regular wellbeing campaigns and activities throughout the year, encouraging a proactive approach to self-care and resilience. These initiatives are supported by our suite of wellbeing policies which covers areas such as mental health, stress management, sickness absence, menopause, and work-life balance. These policies are regularly reviewed to ensure they remain responsive to the needs of our workforce and reflect best practice. Line managers are supported and trained to have open, compassionate conversations with staff and to signpost to appropriate resources when needed.

Waythrough is committed to ensuring every employee feels supported, valued, and empowered to prioritise their wellbeing at work.

Diversity, Equality and Social Responsibility

We are committed to social inclusion, a vital part of our goal to reduce the stigma faced by the people we support. It is important to us that our organisation reflects and celebrates the diversity of the communities we serve. Our commitment is a golden thread running through our organisational culture, as well as our key strategies, policies, and processes. Our workforce is a strong reflection of the diversity of the people we support, ensuring balanced representation.

We fully comply with the Equality Act 2010. We have achieved Level 2 Disability Confident Employer and display an Equality, Diversity and Inclusion statement of intent on our website. We do not discriminate against employees because of mental or physical disability and will offer an interview to all candidates who are deemed suitable for a role vacancy, regardless of their disability status. We will make any reasonable adjustments required to encourage a person to attend an interview. Should a person become disabled during their employment period, we will work with the employee and our third-party occupational health provider, where appropriate, to determine what reasonable adjustments can be made to facilitate continued employment. Training is available to all employees, and any reasonable adjustments will be made to ensure it is accessible to all.

STREAMLINED ENERGY AND CARBON REPORT

The total greenhouse gas emissions for Waythrough for the financial year from 1 April 2024 to 31 March 2025 amounted to 2,691.98 tonnes CO_2e. This figure includes emissions associated with UK electricity and natural gas consumption, as well as business travel in company vehicles, in accordance with mandatory disclosure requirements.

The emissions for 2024–25 represent a 134% increase compared to 2023–24, primarily due to the impact of the merger which resulted in significant rise in the number of residential units owned and managed from 342 units in 2024 to 887 units in 2025.

For the same reasons, Waythrough's emissions intensity also rose, with emissions of 16.59 tonnes CO_2e per £m of turnover, a 46% increase compared to 2023–24.

A summary of annual greenhouse gas emissions is presented in Table 1.

Table 1 Greenhouse gas emissions by year (tonnes CO2e)

Activity Category	2023-24 (tCO_2e)	2024-25 (tCO_2e)	Percentage Change (%)	Actual Change (tCO_2e)
Scope 1: Direct emissions from the operation of owned and controlled facilities and equipment				
Scope 1 Total (tCO_2e)	**440.499**	**1673.237**	**280%**	**1232.738**
Scope 2: Indirect emissions from the production of purchased energy				
Scope 2 Location-Based Total (tCO_2e)	**335.072**	**472.254**	**41%**	**137.182**
Scope 2 Market-Based Total (tCO_2e)	**590.858**	**401.754**	**-32%**	**-189.104**
Scope 3: Indirect emissions from the value chain				
Category 3. Fuel and energy related activities	28.989	41.740	44%	12.751
Category 6. Business travel	347.441	504.754	45%	157.313
Scope 3 Location-Based Total (tCO_2e)	**376.430**	**546.494**	**45%**	**170.064**
Scope 3 Market-Based Total (tCO_2e)	**376.430**	**546.494**	**45%**	**170.064**
Total Gross Emissions - Location-Based (tCO_2e)	1152.001	2691.984	134%	1539.983
Total Net Emissions – Market-Based (tCO_2e)	1407.787	2621.485	86%	1213.698
Revenue (£m)	101.45	162.26	60%	60.815
Intensity Ratio tCO_2e per £m Location-Based	11.356	16.590	46%	5.235
Intensity Ratio tCO_2e per £m Market-Based	13.877	16.156	16%	2.279

Energy consumption

Annual quantity of energy consumed by the company, in the UK resulting from the purchase of electricity, combustion of gas and consumption of fuel for transport purposes.

Table 2 Energy consumption by year (kWh).

Scope and Emissions Source Category	Energy Source	2023-24 (kWh)	2024-25 (kWh)	Percentage Change (%)	Actual Change (kWh)
Scope 1: Direct emissions from the operation of owned and controlled facilities and equipment					
Stationary combustion	Natural Gas	2,216,716	8,933,834	303%	6,717,118
Mobile combustion	Company Vehicles - Average Car - Unknown Fuel	10,956	12,572	15%	1,616
Mobile combustion	Company Vehicles - Diesel	111,901	125,433	12%	13,532
Mobile combustion	Company Vehicles - Petrol	25,195	28,247	12%	3,051
Scope 2: Indirect emissions from the production of purchased energy					
Generation of purchased energy	Electricity - Location Based	1,618,124	2,280,867	41%	662,743
Scope 3: Indirect emissions from the value chain					
Upstream emissions - 6. Business travel	Business Travel - Average Car - Unknown Fuel	1,433,052	2,091,817	46%	658,766
	Total kWh	**5,415,944**	**13,472,770**	**149%**	**8,056,826**
	Revenue (£m)	**101.45**	**162.26**	**60%**	**61**
	Intensity Ratio kWh per £m	**53,386**	**83,030**	**56%**	**29,644**

Methodology

The SECR report relates to Waythrough and covers the emissions from its operations from 1 April 2024 to 31 March 2025, aligning with the fiscal year. The reported carbon emissions have been calculated following the guidance in the UK Government's Environmental Reporting Guidelines, 2019, and the methodology outlined in The GHG Protocol Corporate Accounting and Reporting Standard (revised edition). Carbon Emission factors have been obtained from the UK Government's GHG Conversion Factors for Company Reporting 2024. An 'operational control' methodology has been adopted to outline the scope of carbon emissions reporting for Waythrough. Operational control refers to the ability of an organisation to direct the activities of a facility or operation. In the context of greenhouse gas (GHG) reporting, a company is considered to have operational control over a facility, if it has the authority to introduce and implement operating policies at that facility, regardless of ownership. This means the organisation is responsible for the GHG emissions from the 'operations it controls'. This report includes the material carbon emissions, categorised in line with the requirements of the SECR regulations. Table 1 includes a reduced 'net' carbon emission figure. The 'net' figure is based on our purchase of a 'contractual arrangement' for the supply of renewable electricity; the emissions reduction is reported as 'market-based'. This is voluntarily reported.

Energy efficiency initiatives

Since the merger, we are developing an environmental strategy to meet the needs of the merged organisation. We continued to upgrade to LED lighting in refurbishments and as part of ongoing maintenance wherever practical. Where suitable, to meet business needs, we continue to support hybrid working arrangements and promote the use of online meetings rather than business travel. Local services continue to encourage energy efficiency, such as turning off lights, setting heating to the lowest comfortable levels and powering off electrical equipment and IT when not in use. Staff are encouraged to use rail travel where practical for longer journeys and reduce the use of private cars. To further reduce the use of private cars, some services have invested in small, economical pool cars to improve fuel efficiency.

FUNDRAISING

As a Group we do not currently engage in unsolicited direct fund-raising, either to specific supporters or the general public. Occasionally, individuals who have been affected by the Group's services engage in a sponsored activity and donate the proceeds to a service or partner within the Group, doing so of their own volition. When approached in advance, we support such gestures by providing charity-branded materials. However, we do not actively monitor individuals who independently raise funds for the Group.

The Group does not participate in any voluntary fundraising schemes. It does not use commercial participants or professional fundraisers, pursues no organisation-wide fundraising programmes, and has received no complaints regarding fundraising in the year.

LEGAL STRUCTURE AND GOVERNANCE

During the year, the charities Humankind Charity and Richmond Fellowship (and their respective subsidiary entities) came together through merger to form a single new charity by means of a Transfer Agreement, enacted on 31 May 2024. Concurrently on 31 May 2024, the sole membership of the charity Aquarius Action Projects ("Aquarius") transferred from Richmond Fellowship to Humankind Charity.

The Transfer Agreement gifted the continuing assets and liabilities of Richmond Fellowship into the single entity Humankind Charity, and on 6 February 2025, this charity was renamed Waythrough (having already been introduced as a brand name from 1 October 2024). On merger, the new Group Board comprised seven trustees from one of the two predecessor charities.

The objects for which Waythrough is established are for general charitable purposes to provide support and assistance to individuals who may be socially excluded and seeking to improve their quality of life, in particular by:

- *providing assistance and support in the relief of physical and mental health problems of persons in need by reasons of substance use, abuse or dependency, including alcohol and drugs;*
- *providing assistance and support in the prevention of harm by reasons of substance use, abuse or dependency, including alcohol and drugs;*
- *relieving the hardship of those in need by reasons of youth, age, infirmity, physical or mental disability, poverty or social and economic circumstances by the provision of social housing and housing support;*
- *the relief of unemployment and advancement of education (including sustainable training for employment or work) for the benefit of the public generally and in particular such persons who are in need due to the lack of educational or skills attainment or who otherwise require assistance in gaining employment;*
- *the relief of poverty, hardship (financial or otherwise) and distress among children, young people, families and other members of society in necessitous circumstances by providing and assisting in the provision of such facilities, advice and support as may be required to improve their conditions of life; and*
- *assisting in the preservation and protection of health, and in the treatment and care of persons suffering from mental or physical health conditions or illnesses or in need of rehabilitation as a result of the same, through the provision of clinical and other services and support.*

Since 1 June 2024, the Group Board has been a non-executive trustee board comprising seven trustees from both legacy charities, referred to as the "first directors" in the Articles. The exceptional commitment required of the Board during the merger and subsequent integration justified the larger-than-normal board size. However, in November 2024, the Board formally resolved to gradually reduce its number to ten trustees by mid-2027/28, as business activity is expected to return to normal. Each of the 'first directors' will complete their original terms before being replaced under an agreed trustee succession plan.

The first two trustees to retire did so on 1 April 2025, with the departures of Alex Boyt and Bhakti Seth. A further three trustees are scheduled, under the agreed trustee succession plan, to retire during 2025/26 and arrangements will be put in place to bring on board new trustees who will add to the Board's skills and diversity of voice and experience.

New Group Board trustee directors will be recruited in accordance with specific provisions in the Articles and undergo a tailored induction upon joining. The induction process includes service visits (which Trustees do on a rolling basis) and attendance at a scheduled series of trustee development sessions. Group Board members are provided with ongoing general and tailored training support, identified through appraisal and review discussions. Whilst the Articles provide for maximum terms of nine years, in practice, trustee renewal typically occurs after six years, with new trustees serving two terms of three years (subject to review).

The Group has standing orders and a schedule of delegations from the Board to the Executive in place to underpin the Articles. As the Board of Aquarius has a majority of independent directors, there is a Framework Agreement in place between parent and subsidiary to guide the interpretation of the Aquarius Articles, and it sets out the respective duties, delegations and responsibilities of the Group and Aquarius Boards in the governance of Aquarius. All other group subsidiaries have a small board made up of Waythrough nominees.

As a newly merged charity and as part of our integration programme, we are conducting a comprehensive review of our policies, guidance, learning, and practice to ensure compliance with our legal, regulatory, and duty of care obligations. Our policies are written for the Group and apply to parents and all subsidiaries of the Group.

REGULATION AND COMPLIANCE

The Group complies with the requirements of the Regulator of Social Housing (RSH), the Charity Commission, the Charities Acts, and the Companies Acts by seeking consent, filing returns, and publishing accounts as required. Compliance updates are sent to the Audit and Risk Committee of the Board. Some of our services are registered with and subject to inspection by the Care Quality Commission.

Statement on public benefit

The purpose of the Group is set out in the charitable objects above. Prospective users of services across the Group are referred to the provider organisation in accordance with a prescribed route outlined in an agreement with the commissioner of each service. All non-residential services are provided free of charge at the point of delivery. Rent and any other charges for housing, residential care homes, and crisis accommodation are usually covered by a range of housing and other benefits, as well as contract income. The Group Board has given due regard to the Charity Commission's guidance on providing public benefit in its decision-making and considers that all Group activities provide public benefit.

Statement of accountability

The Group Board accepts the obligation to account openly and transparently for its actions to the people we support, our regulators, commissioners, and other stakeholders, including the wider public. The Group Board also accepts the obligation to ensure that Group companies deliver the standards of probity required by law and by regulators, and that these standards are appropriate to their position in the community.

Health, fire and building safety, continue to remain a priority. The location and nature of our properties means we have exposure to new and emerging legislation. The level of financial investment and the complex nature of new and emerging regulation requirements bring challenges which we will continue to meet by regular inspections to ensure compliance. We use a range of performance data and insight to enable continuous improvement to reduce the risk of harm to the people we support, colleagues, and members of the public.

It remains a Group commitment is to attain a substantial level of corporate social responsibility aligned with Environmental, Social, and Governance (ESG) directives and financial climate disclosure guidelines. However, this pursuit remains subject to its primary obligation of fulfilling its charitable objectives and utilising its charitable resources for that intended purpose. We are currently exploring a range of options to help us continue to reduce our impact on the environment, and decisions will be made in line with our wider strategic landscape.

Statement of compliance with the RSH's latest Standards and the Charity Commission's Code of Governance

The latest Standards set out by the Regulator of Social Housing (RSH), effective at 31 March 2025, require compliance with an "appropriate code of governance, giving reasons for the choice and explaining areas of non-compliance". Waythrough has chosen the Charity Commission's Code of Governance, given that a significant proportion of the business is charitable.

The Board considers compliance with the Code alongside the RSH's regulatory standards at least annually and presents the results to the Audit and Risk Committee. In September 2025, prior to the signing of these accounts, the Committee reviewed the Group's compliance and concluded that this had been demonstrated, approving the following statement of compliance:

"Waythrough has chosen the Charity Commission's Code of Governance as a means of self-assessing the adequacy of its governance framework. The Code is an integral part of the Waythrough Board's approach to governance and sets out the disciplines adopted by the Trustee directors to deliver best practice. Waythrough is compliant with all requirements of the Code but continually seeks to make improvements that have been identified and will be reviewed. In support of this drive for continuous improvement in delivering board

governance, the Board has engaged internal auditors (BDO) to provide additional assurances regarding how our key risk areas are being managed. These are married alongside our internal quality assurances in place. Following the self-assessments process, the Board has confirmed that it meets the reporting requirements of the Charity Commission and the Regulator of Social Housing.''

Following the merger of Richmond Fellowship with Humankind Charity on 1 June 2025, the new Waythrough Board adopted the Charity Commission Code of Governance and initiated a comprehensive review of board governance to assess how it should be conducted going forward as Waythrough. This review took place between September 2024 and June 2025 in three phases. The Board, in discussing the recommendations from the review, has elected to:

- Reduce Board size to 10 trustees but without disrupting the continuity of the direction being provided by the Board.
- Introduce standard 3-year terms for trustees, renewable once, although in specific circumstances relating to the running of the organisation, annual extensions of the second term may by exception, be agreed by the Board.
- Introduce a contract for services for trustees setting out the expectations of the role holder and obligations attached to the appointment.
- Introduce a programme of annual effectiveness reviews undertaken for each trustee, including the Chair and each Board Committee.
- That Waythrough would provide a programme of trustee development and a schedule of service visits so that its trustees are close to how frontline staff deliver the services and the legal and regulatory obligations on trustees.
- Adopt a succession plan with clear end dates for all current trustees and recruitment timeframes to ensure that board refresh takes place whilst still ensuring continuity of leadership.

As part of its annual self-evaluation process, the Board has concluded that the business case for paying Trustee Group Board members remains valid and beneficial to the charity. However, the Board currently comprises paid and unpaid trustees, which is not a sustainable position in the medium term. For the paid trustees, remuneration is benchmarked regularly with the last recommendation being that rates of remuneration are fit for purpose. However, Waythrough will now enter discussion with the Charity Commission to find a way forward on this issue to ensure that equity is introduced for current board trustees and being a trustee of Waythrough attracts skilled and experienced individuals from a broad range of backgrounds and with a wide range of protected characteristics, including lived experience of using the services we provide.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The Board confirms that, in fulfilling their duties as directors, they have taken all necessary steps to ensure they are aware of any relevant information for the audit and to ensure the auditor is also informed of this information. To the best of the directors' knowledge, there is no relevant audit information that has not been brought to the attention of the auditor.

Approved by the Board and signed on its behalf by

Carolyn Regan, Chair of the Board

10 September 2025

STATEMENT OF THE GROUP BOARD ON VALUE FOR MONEY (VFM)

Waythrough is committed to delivering Value for Money (VFM) as a fundamental part of its business strategy. VFM objectives are embedded throughout all service areas and integrated into every aspect of service delivery. We continuously seek opportunities to improve efficiency, enhance service quality, and achieve better outcomes—actively engaging staff, service users, and partners in the process.

Our approach includes sourcing high-quality materials at the best possible prices and streamlining operations to maximise efficiency. The Board leads VFM and is fully aligned with the Regulator of Social Housing's latest Code of Practice.

As a registered provider, we proactively report our performance against a defined set of key VFM indicators, as outlined below:

Sector Scorecard	WT 2025	WT 2024	A	B	C	D	E	F	2024 Ranking	Peer Group Median 2024
> Business Health										
Operating Margin (Overall)	(1.2%)	3.0%	3.9%	5.0%	3.1%	(14.8%)	16.1%	(2.5%)	5th	3.1%
Operating margin (social housing lettings)	2.5%	(1.1%)	11.7%	12.8%	3.9%	(36.5%)	8.3%	(5.1%)	5th	3.9%
EBITDA MRI (as % interest)	n/a	n/a	509%	119%	296%	(541%)	358%	(2,946%)	n/a	n/a
> New Supply delivered										
Social housing units - %	0%	0%	2%	4%	2%	0%	0%	-	n/a	0%
Non-social housing units - %	n/a	n/a	-	-	-	-	-	-	n/a	n/a
Gearing	n/a	n/a	(1%)	41%	6%	1%	12%	(18%)	n/a	n/a
> Effective asset mgt										
Return on Capital Employed - %	(2.7%)	6.7%	2.1%	1.8%	2.1%	(6.3%)	2.2%	(3.0%)	1st	2.1%
>Outcome delivered										
Reinvestment	12.9%	11.1%	9.3%	5.7%	4.9%	6.6%	4.6%	1.9%	1st	5.7%
>Operating Efficiency										
Headline social housing unit costs	£ 11,881	£ 12,364	£ 17,336	£ 13,325	£ 29,513	£ 38,484	£ 8,864	£ 29,555	2nd	£ 17,336
Management cost per unit	£ 1,902	£ 2,043	£ 1,473	£ 2,559	£ 6,182	£ 13,781	£ 6,737	£ 13,513	2nd	£ 6,182
Service charge cost per unit	£ 5,718	£ 6,015	£ 7,715	£ 2,340	£ 11,487	£ 12,411	£ 10,002	£ 19,703	2nd	£ 10,002
Routine Maintenance cost per unit	£ 993	£ 925	£ 3,259	£ 1,007	£ 4,283	£ 1,654	£ 6,884	£ 2,818	1st	£ 2,818
Planned Maintenance cost per unit	£ 114	£ 46	£ 3,251	£ 936	£ 1,259	-	-	£ 1,370	1st	£ 936
Major repairs cost per unit	£ 200	£ 132	£ 569	£ 526	-	£ 103	£ 479	-	4th	£ 132
Lease costs	£ 2,126	£ 2,405	£ 795	£ 622	-	-	-	£ 6,400	6th	£ 622
Capitalised major repairs expenditure for period (£'000)	£ 2,626	£ 3,125	£ 858	£ 291	£ 977	£ 5,176	£ 3,378	£ 1,510	5th	£ 1,510
Other (social housing letting) costs	£ 184	(24)	£ 2,354	£ 646	£ 1,787	-	£ 313	£ 1,518	2nd	£ 646
Other social housing activities: charges for support services]	£ 29,194	£ 30,236	£ 19,590	£ 8,116	£ 12,658	£ 44,151	£ 3,044	£ 22,829	7th	£ 19,590
Total social housing units owned and/or managed at period end	877	918	2316	1279	1309	2008	3526	2357	7th	2008
The remuneration payable to the highest paid Director, per unit*	£ 218	£ 191	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
The aggregate amount of remuneration paid to Directors, per unit*	£ 2,478	£ 2,281	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

***These are new VFM metrics; no comparable peer data is available. Nb. The Income from social housing lettings in only 6.9% of the total revenue.**

Value for Money (VFM) Approach

We benchmark our performance against six similar-sized registered providers of social housing, focusing on care and support services in comparable regions, using data from the 2024 Global Accounts. This objective benchmarking enables us to learn, plan, and adjust as needed. We applied this to our social housing units only, but extended the principle across all of our properties.

Our 2025 results show a decrease in our headline social housing cost per unit, dropping from £12,364 to £11,881. This reflects a reduction in housing management and service charge costs, given the simultaneous decrease in unit numbers (877 in 2025 vs. 918 in 2024). Contributing factors include the voluntary adoption of the Real Living Wage.

Our VFM Aims:

- Integrate VFM in every aspect of our work
- Simplify processes and remove duplication
- Identify inefficiencies and implement improvements
- Apply recognised best practices and seek innovation
- Ensure staff understand their role in delivering VFM
- Promote VFM to service users, partners, and Boards
- Build strategic supplier relationships and pursue continuous improvement

How We Deliver VFM:

- Co-production: Leveraging local insights to redesign services more effectively.
- Governance: Internal and external benchmarking, strong financial scrutiny.
- Digital strategy: Streamlined delivery with tech-driven solutions.
- Purchasing synergies: savings from renewed contracts around Utilities & Insurance
- Broader Procurement savings from negotiated contracts around white goods, stationery, and office supplies
- Reduced senior management cost as the merger saw natural de-duplication in some areas
- Reducing non-value-added activities, such as making it easier to book. travel

All strategic plans are aligned with our corporate objectives and regulatory requirements, ensuring long-term sustainability and impact.

Procurement

We will continue to focus on strengthening our procurement approach and supporting the achievement of the Group Strategy. We aim to ensure that procurement activities are undertaken efficiently and economically, providing direction to strive for best practice in procurement while constantly improving value for money and the quality of goods and services procured. The following outlines the aims that procurement will continue to play in the delivery of our Group's objectives:

- To evaluate and improve current procurement practices to achieve better value for money and to ensure the Group's needs are met efficiently and effectively.
- To ensure that good practice examples are identified, mainstreamed and applied consistently across the organisation.
- To review our products to ensure they are providing a return on investment.
- To renegotiate contracts to maximise economies of scale.
- To reduce our environmental impact and increase our sustainability, making the best use of our national footprint.
- To ensure that current and future procurement activities are planned, monitored and reviewed effectively.
- To create a structure where we can share resources, drive innovation and create more efficient ways of working.
- To use digital solutions to create the most efficient and effective procurement methods to deliver the best possible service.

- To use digital solutions to strengthen the financial controls of the business procurement process – using Workday “purchase to pay”.
- To identify opportunities for collaboration with others to widen the scope for maximising purchasing power and identifying innovation.
- To identify what part customers will play in the procurement process.

Looking ahead

We are developing a 10-year strategy as part of our longer-term financial planning and budgeting process. The 2024/25 budget was compiled to deliver the second stage of our integration plan, which will formally extend for another year. We recognise that work will continue to align our systems, processes, and people over this and the coming period. However, as we transform, we will develop a new, longer-term strategy that reflects our promise of coming together and enables us to focus on our future aspirations.

STATEMENT OF THE GROUP BOARD ON INTERNAL CONTROLS ASSURANCE

The Group Board is responsible for ensuring control assurance across the entire group and reviewing its effectiveness. The Directors recognise that such systems can provide only reasonable, not absolute, assurance against material misstatement or loss.

Board Members and Meetings

A comprehensive list of Board Members for the year can be found on page 1. Since the merger and the creation of Waythrough, the Group Board held a total of six formal meetings during the year. The trustees met monthly as a Shadow Board prior to the merger, during 23/24 and up to the date of the merger on 1 June 2024. The overall attendance rate at these meetings was 85%. Meetings moved to quarterly starting from 1 January 2025, now that the Board Committees (also meeting quarterly) are fully in place with terms of reference and delegations from the Group Board. The majority of board governance meetings in 24/25 were held as hybrid (in person and video conference), except for two annual Board Away Day Events, which were held in person. Board meetings are often preceded by a discussion on a topical area that impacts the business. These supplement the risk "deep dives" that occur at Away Day Events or as part of the Board Committee's scrutiny agenda. In 25/26 these will be more fully integrated into a formal trustee development and service visits programme in which all trustees will participate.

During the year, we conducted a major skills review in conjunction with the development of priorities outlined in the Group Strategy. This allowed us to assess the strength of governance, future Board needs, and desirable values, experiences, and knowledge in identifying new trustees as vacancies arise. A formal succession plan for trustees is in place, and the default term of office will be 2x three-year terms.

Board Members' remuneration, attendance and partner Board/Committee Memberships in 2024/25 were:

Trustee	Remuneration	Group Board Attendance	Partner Board/ Committee Memberships at 31/3/25	PARTNER BOARD/ COMMITTEE KEY
I Ayling	£6,333	6	PCC (Chair), FIC	AB (Aquarius Board) ARC (Audit & Risk Committee) FIC (Finance and Investment Committee) MT (MoreTime Board) PCC (People and culture) QPC (Quality & Performance Committee) SID (Senior Independent Director)
K Bakshi	£6,000	5	QPC (Co-Chair)	
A Boyt *(resigned 31/5/25)*	£nil	4	QPC	
S Douglas	£nil	5	QPC	
C Gitsham *(Board Vice-Chair and SID)*	£nil	6	PCC	
M Hopcroft	£5,000	5	FIC	
I Macqueen	£nil	2	AB, MT	
S Moore	£6,000	6	ARC (Chair)	
P Najsarek	£5,000	5	FIC	
D Oum	£6,000	6	PCC, QPC, AB (Chair)	
C Regan *(Board Chair)*	£12,500	6		
B Seth *(resigned 31/3/25)*	£nil	5		
S Shepherd	£nil	5	QPC (Co-Chair)	
J Walder	£nil	5	FIC (Chair), ARC	

Matters reserved for the Group Board

The Group Board has delegated limited powers to its committees: Audit and Risk, Finance and Investment, People and Culture, Quality and Performance and Remuneration Committees. It reserves certain responsibilities and decisions for itself, specifically:

- Management structure, organisation and essential governance
- Objects, values and corporate strategy
- Annual budget setting
- Key controls as specified in the standing orders and scheme of delegations

Terms of reference for each Board committee are reviewed annually and approved by the Board. The Board and each Committee reviews its own effectiveness to set itself specific improvement targets which, where required, are underpinned by wider internal and external development opportunities.

During the year, to support the work of both the Waythrough Board, the Group developed a comprehensive Internal Integrated Governance Framework which meets quarterly to support the management of risk across the organisation but also to ensure that key areas of work have an appropriate level of scrutiny and focus by the Group Executive Management (GEM). GEM has also met regularly with our Life Experience Council who input their views into strategic priorities.

We continue to review the effectiveness of all of the groups within the overall framework to ensure they remain fit for purpose and assess whether there is a more effective way of delivering this assurance.

Identification and evaluation of risks and control objectives

Board Directors, working with the GEM and the Directors of the subsidiary Boards, have separately and collectively considered the major risks to which the Group is exposed. As part of this process, the Audit and Risk Committee meets four times annually, giving a significant portion of its agenda to risk scrutiny and challenge. The internal and external audit teams are an important source of assurance in fulfilling this remit.

The GEM is responsible for delivering the priorities and managing the associated risks, but each Group Board Committee scrutinises a portfolio of risks, with trustees offering additional ideas and rigorously challenging the organisation's pressures and management’s response to these.

As a shared responsibility, parent and subsidiary board directors and the GEM routinely satisfy themselves that appropriate systems, plans, and procedures are in place to manage risk effectively and assess progress against significant milestones in delivering key priorities.

Managing the business

Performance indicators are in place to provide information that allows management to monitor the key targeted outcomes that have been agreed upon as the best metrics to assess the sound progress of our strategic priorities. These indicators satisfy management that our services are delivering for our beneficiaries and matters which require intervention can be tackled.

To complement the existing control mechanisms, providing effective training and awareness information is vital to ensure the safe and consistent application of processes. As part of our extensive training and development program, several modules are mandatory for all staff, ensuring they are regularly updated to keep the Group's workforce well-informed, prepared, and capable of delivering quality services.

As another line of assurance, our externally sourced Internal Audit Team deliver a comprehensive annual programme highlighting a range of actions that management will continue to pursue.

Internally, we continued to publicise our Feedback Policy and raise awareness around key policies that support control assurance, such as Whistleblowing, Anti-Money Laundering, Fraud Prevention, Gifts and Hospitality, and Conflicts of Interest. Our Quality Self-Assessment regime is in place across the whole Group and operates at the local, area, and partner-wide levels.

Our Trustees undertake service visits as part of their wider responsibility (and development) to better understand the services we deliver, and the challenges faced in delivering them. It is also an opportunity for them to speak directly with the people we support. They are popular with our support, staff, and Board Members alike.

We maintain close collaboration with external partners and stakeholders to gain insights into their perspectives on our strategic direction and ongoing performance. This includes engaging with commissioners to ensure their satisfaction with our services and exploring ways to enhance their effectiveness. Additionally, we collaborate with local safeguarding teams, fire safety authorities, the Care Quality Commission, and other independent expert advisers, valuing their objective viewpoints as a valuable means of driving our continuous improvement agenda. By actively seeking input from these external sources, we strive to foster a transparent and inclusive approach to our operations and service delivery.

At the end of the year, the Group Board has reviewed the controls and assurances in place across the Group and is satisfied that the Group is both compliant with legal and regulatory requirements. This includes all the areas of work for which subsidiary boards are ultimately responsible for delivery and oversight.

STATEMENT OF THE RESPONSIBILITIES OF THE GROUP BOARD IN RESPECT OF THE ACCOUNTS

The Group Board Directors are responsible for preparing the report of the Group Board, incorporating the strategic report and the accounts in accordance with applicable law, regulations and associated guidance and good practice.

Company and housing law require the Group Board to prepare consolidated accounts for each financial year in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), including FRS 102 “The Financial Reporting Standard applicable in the UK and the Republic of Ireland”. Under company and housing law, the Group Board members must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the surplus or deficit of the Group for that period.

In preparing these accounts, the Group Board directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business

The Board Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain all transactions and disclose with reasonable accuracy at any time the financial position of the Group, and that ensure the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and have due regard to Charity Commission guidance. They are also responsible for safeguarding the Group's assets and for taking reasonable steps to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAYTHROUGH

Opinion
We have audited the financial statements of Waythrough (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise of the Group and Company Statement of Financial Activities, the Group and Company Statement of Financial Position, the Consolidated and Company Changes in Equity, the Consolidated Cash Flow Statement and the 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 of the parent charitable company's affairs as at 31 March 2025 and of the group's and parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 for the group and the parent charitable company and the Charities Act 2011 (for the Group); and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 and 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 and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the

other information contained within the Annual report and Financial Statements. 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 Strategic Report and the Directors' 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 Strategic Report and the Directors' Report included within the Report of the Group Board 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 Strategic Report or the Directors' Report included within the Report of the Group Board.

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

- adequate and sufficient 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 the Responsibilities of the Group Board set out on page 3 the trustees (who are directors of the parent charitable company for the purposes of company law and the trustees for the purposes of charitable 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 the 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 the 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
We have been appointed as auditor under the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the group and the parent charitable company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the entity's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of the group and the parent charitable company's industry and regulation.

We understand that the group and the parent charitable company complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A risk assessment framework and register that includes regular review and scrutiny by the Board of Directors;
- Regular safeguarding and health and safety reviews;
- An annual assessment of compliance with social housing regulations; and
- The Board of Director's close oversight through regular Board meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the group and the parent charitable company's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the group and the parent charitable company:

- FRS 102 and the requirements of the Companies Act 2006, in respect of the preparation and presentation of the financial statements;
- Safeguarding, including health and safety and Care Quality Commission regulations; and
- Social housing and Charity law and regulation.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Making enquiries of management and the Audit and Risk Committee as to the risks of non-compliance and any instances thereof; and
- Reading minutes of meetings of those charged with governance.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the group and the parent charitable company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries and incorrect recognition of revenue.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the group and the parent charitable company's processes and controls surrounding manual journal entries;
- Reviewing and challenging estimates made by management; and
- Substantive work on revenue transactions.

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

Use of our report
This report is made solely to the parent 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 parent 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 parent charitable company, and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Bond
Senior Statutory Auditor, for and on behalf of

S&W Audit
Statutory Auditor
Chartered Accountants

45 Gresham Street
London
EC2V &BG
Date: 15 September 2025

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

WAYTHROUGH GROUP	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Group Total Funds 2025 £'000	Unrestricted Funds, as restated £'000	Restricted Funds, as restated £'000	Group Total Funds, as restated 2024 £'000
INCOME							
Donations and legacies	3	180	15	195	186	0	186
Charitable activities	3	111,258	51,844	163,102	108,205	47,477	155,682
Other trading activities	3	409	-	409	341	-	341
Investment income	3	212	-	212	206	-	206
TOTAL INCOME		**112,059**	**51,859**	**163,918**	**108,938**	**47,477**	**156,415**
EXPENDITURE							
Raising funds	4	3	-	3	666	-	666
Charitable activities	4	111,807	50,601	162,408	107,161	44,356	151,517
Expenditure on other trading activities	4	143	-	143	169	-	169
Non-recurring items	4	2,688	-	2,688	636	-	636
TOTAL EXPENDITURE		**114,641**	**50,601**	**165,242**	**108,632**	**44,356**	**152,988**
Net income/(expenditure)		**(2,582)**	**1,258**	**(1,324)**	**306**	**3,121**	**3,427**
Other gains/(losses)							
Net Interest receivable	7	1,038	-	1,038	1,134	-	1,134
Finance Costs	7	(78)	-	(78)	(67)	-	(67)
Surplus/(deficit) on disposals	10	348	-	348	235	-	235
Fair value gain/(losses) on investment properties	13	494	-	494	587	-	587
Fair value gain/(losses) on investments	14	(250)	-	(250)	278	-	278
Actuarial (loss)/gain in respect of pension scheme	28	(59)	-	(59)	3	-	3
Transfers between funds	23	(583)	583	-	(964)	964	-
NET MOVEMENTS IN FUNDS		**(1,672)**	**1,841**	**169**	**1,512**	**4,085**	**5,597**
Reconciliation of funds:							
Total funds brought forward		51,684	12,708	64,392	50,172	8,623	58,795
TOTAL FUNDS CARRIED FORWARD		**50,012**	**14,549**	**64,561**	**51,684**	**12,708**	**64,392**

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

WAYTHROUGH COMPANY	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Company Total Funds 2025 £'000	Unrestricted Funds, as restated £'000	Restricted Funds, as restated £'000	Company Total Funds, as restated 2024 £'000
INCOME							
Donations and legacies	3	180	15	195	1,777	(0)	1,777
Charitable activities	3	102,916	51,844	154,760	100,259	47,071	147,330
Other trading activities	3	369	-	369	341	-	341
Investment income	3	212	-	212	206	-	206
TOTAL INCOME		**103,677**	**51,859**	**155,536**	**102,583**	**47,071**	**149,654**
EXPENDITURE							
Raising funds	4	3	-	3	13	-	13
Charitable activities	4	103,771	50,601	154,372	100,216	43,946	144,162
Expenditure on other trading activities	4	120	-	120	146	-	146
Non-recurring items	4	2,688	-	2,688	636	-	636
TOTAL EXPENDITURE		**106,582**	**50,601**	**157,183**	**101,011**	**43,946**	**144,957**
Net income/(expenditure)		**(2,905)**	**1,258**	**(1,647)**	**1,572**	**3,125**	**4,697**
Other gains/(losses)							
Interest receivable	7	808	-	808	878	-	878
Finance Costs	7	(78)	-	(78)	(67)	-	(67)
Surplus/(deficit) on disposals	10	348	-	348	235	-	235
Fair value gain/(losses) on investment properties	13	494	-	494	587	-	587
Fair value gain/(losses) on investments	14	(250)	-	(250)	278	-	278
Actuarial (loss)/gain in respect of pension scheme	28	(59)	-	(59)	3	-	3
Transfers between funds	23	(48)	48	-	(358)	358	-
NET MOVEMENTS IN FUNDS		**(1,690)**	**1,306**	**(384)**	**3,128**	**3,483**	**6,611**
Reconciliation of funds:							
Total funds brought forward		49,953	6,451	56,404	46,825	2,968	49,793
TOTAL FUNDS CARRIED FORWARD		**48,263**	**7,757**	**56,020**	**49,953**	**6,451**	**56,404**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

WAYTHROUGH	Note	Group 2025 £'000	Group, as restated 2024 £'000	Company 2025 £'000	Company, as restated 2024 £'000
Fixed assets					
Tangible Fixed Assets (Housing Properties)	11	30,825	29,009	28,075	26,529
Tangible Fixed Assets (Other Assets)	12	13,828	12,690	13,117	12,021
Investment Properties	13	2,494	2,000	2,494	2,000
		47,147	**43,699**	**43,686**	**40,550**
Current assets					
Stock	15	342	305	338	302
Debtors due within one year	16	24,708	23,044	22,407	21,014
Investments	14	5,788	6,038	5,788	6,038
Cash at bank and in hand		21,794	29,801	17,159	24,845
		52,632	**59,188**	**45,692**	**52,199**
Creditors: amounts falling due within one year	17	(22,750)	(27,790)	(20,890)	(25,640)
Net current assets		**29,882**	**31,398**	**24,802**	**26,559**
Total Assets less Current Liabilities		**77,029**	**75,096**	**68,488**	**67,109**
Creditors: amounts falling due after more than one year	18	(11,383)	(9,794)	(11,383)	(9,794)
Provisions for Liabilities	22	(1,085)	(958)	(1,085)	(958)
Defined benefit pension scheme liability	28	0	47	0	47
Net Assets		**64,561**	**64,392**	**56,020**	**56,404**
Funds					
Restricted funds	23	14,549	12,708	7,757	6,451
Unrestricted funds					
- Unrestricted general funds	23	47,057	48,432	45,490	46,883
- Designated funds	23	184	184	-	-
- Revaluation reserve	23	2,771	3,021	2,773	3,023
- Pension reserve	23	-	47	-	47
		64,561	**64,392**	**56,020**	**56,404**

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 10 September 2025 and signed on their behalf by

…… ……

Carolyn Regan (Group Chair) Committee)
Director

Susan Moore (Chair of Audit and Assurance

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

WAYTHROUGH GROUP

	Restricted Funds	Unrestricted				Total
		General Funds	Designated Funds	Revaluation Reserve	Pension Reserve	
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2023	**8,623**	**47,146**	**229**	**2,758**	**39**	**58,795**
Year ended 31 March 2024:						-
Net movement in funds	(597)	1,743	-	263	8	1,417
Transfers (Note 23*)	964	(919)	(45)	-	-	0
Adjustment: Merger Accounting; aligning policies (Note 2)	*(5)*	*(228)*	-	-	-	*(233)*
Adjustment: Prior Year Deferred Income release (Note 32)	*3,723*	*690*	-	-	-	*4,413*
Balance at 31 March 2024 as restated	**12,708**	**48,432**	**184**	**3,021**	**47**	**64,392**
Year ended 31 March 2024:	**12,708**	**48,432**	**184**	**3,021**	**47**	**64,392**
Net movement in funds	1,258	(792)	-	(250)	(47)	169
Transfers (Note 23)	583	(583)	-	-	-	-
Balance at 31 March 2025	**14,549**	**47,057**	**184**	**2,771**	**-**	**64,561**

STATEMENT OF CHANGES IN EQUITY

WAYTHROUGH COMPANY

	Restricted Funds	Unrestricted				Total
		General Funds	Designated Funds	Revaluation Reserve	Pension Reserve	
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2023	**2,968**	**44,026**	**-**	**2,760**	**39**	**49,793**
Year ended 31 March 2024:						
Net movement in funds	(598)	2,753	-	263	8	2,426
Transfers (Note 23*)	358	(358)	-	-	-	-
Adjustment: Merger Accounting; aligning policies (Note 2)	-	*(228)*	-	-	-	*(228)*
Adjustment: Prior Year Deferred Income release (Note 32)	*3,723*	*690*	-	-	-	*4,413*
Balance at 31 March 2024 as restated	**6,451**	**46,883**	**-**	**3,023**	**47**	**56,404**
Year ended 31 March 2024:	**6,451**	**46,883**	**-**	**3,023**	**47**	**56,404**
Net movement in funds	1,258	(1,345)	-	(250)	(47)	(384)
Transfers (Note 23)	48	(48)	-	-	-	-
Balance at 31 March 2025	**7,757**	**45,490**	**-**	**2,773**	**0**	**56,020**

CONSOLIDATED STATEMENT OF CASH FLOWS

WAYTHROUGH GROUP	Note	2025	2024
Cash flows from operating activities			
Net cash from operating activities	31	**(2,958)**	**4,930**
Cash flows from investing activities			
Investment income		212	443
Purchase of tangible fixed assets		(7,400)	(6,985)
Proceeds on disposal of tangible assets		1,392	611
Purchase of listed investments		-	-
Proceeds from sale of investments		-	-
Interest received		1,038	894
Net cash used in investing activities		**(4,760)**	**(5,038)**
Cash flows from financing activities			
Repayments of other borrowings		(291)	-
Net cash from/(used in) financing activities		**(291)**	**-**
Changes in cash and cash equivalents in the year		(8,007)	(107)
Cash and cash equivalents at the beginning of the year		29,801	29,908
Cash and cash equivalents at the end of the year		**21,794**	**29,801**

NOTES TO THE ACCOUNTS for the year ended 31 March 2025

1. Legal status

Waythrough ("the company") is a private company limited by guarantee (number 01820492) and is incorporated in England; the registered office address is Inspiration House, Unit 22, Bowburn North Industrial Estate, Bowburn, Durham DH6 5PF. The company is a registered charity (number 515755) and is also registered as a private provider of social housing with the Regulator of Social Housing (number 4713).

Aquarius Action Projects ("Aquarius") is a wholly owned subsidiary of Waythrough. It is incorporated as a private company limited by guarantee under the Companies Act 2006 in England, number 2427100. It is also a registered charity, number 1014305. Its registered office is 236 Bristol Road, Birmingham, B5 7SL.

More Time (UK) Limited is a wholly owned subsidiary company of the charity, Waythrough. It is incorporated as a private company limited by shares under the Companies Act 2006 in England, number 7738729, and was established to carry on trading activities (cleaning services giving opportunities to people who find access to employment markets challenging), complementing the work of Waythrough. Further details are stated in Note 14 to the financial statements. The registered office is the same as the parent, Waythrough.

Waythrough Support Services Limited is a wholly owned subsidiary company. It is incorporated as a private company limited by shares under the Companies Act 2006 in England, number 14174303, which trades alongside the Charity to deliver health and social care services. The proceeds are reinvested back into the charity to better meet the needs of the people we serve. The registered office is the same as the parent company, Waythrough.

Richmond Fellowship (The) is a private company limited by guarantee (number 0662712) and is incorporated in England; the registered office address is 80 Holloway Road, London N7 8JG. It is a wholly owned subsidiary of Waythrough (since 1 June 2024). The company is a registered charity (number 200453) and is also registered as a private provider of social housing with the Regulator of Social Housing (number H2025). During the year, it transferred its assets through an Asset Transfer Agreement to Waythrough and ceased trading in 2024/25. It is currently in the process of deregistering as a provider of social housing, but this is not yet complete. This charity is not expected to trade during the 2025/26 financial year.

E D P Drug & Alcohol Services ("EDP") is a wholly owned subsidiary of Waythrough. It is incorporated as a private company limited by guarantee under the Companies Act 2006 in England, number 02145656. It is also a registered charity, number 297370. Its registered office is the same at the parent charity, Waythrough. This charity is no longer trading and is not expected to trade during the 2025/26 financial year.

The Sector Group Limited ("TSG") is a wholly owned subsidiary company of the charity, Waythrough. It is incorporated as a private company limited by shares under the Companies Act 2006 in England, number 7738950. This company has never traded, and an application to strike the company off has been made.

2. Business Combinations

Nature of the Combination

On 1 June 2024, Humankind and Richmond Fellowship combined to form a new charitable group, **Waythrough**. The merger was affected by the transfer of Richmond Fellowship's assets and liabilities into Humankind, following which Humankind was renamed as Waythrough. Neither party was regarded as the acquirer, nor was any party seen to be dominant in substance. The merger was undertaken for the mutual benefit of service users and stakeholders and has therefore been accounted for as a uniting of interests, in accordance with the merger accounting principles set out in FRS 102 and the Charities SORP.

Accounting Treatment

The merger of Humankind and Richmond Fellowship has been accounted for using the merger accounting method in accordance with Section 19 of FRS 102. Under merger accounting:

- The assets and liabilities of Humankind and Richmond Fellowship have been combined at their existing carrying values.
- No goodwill has been recognised.

- The results and cash flows of both entities are presented as if the merger had occurred at the beginning of the comparative period.
- Comparative information has been restated on this basis to ensure consistency and comparability.

Net Assets at the date of Merger.

Group	Humankind Group as at 01 June 2024	Richmond Fellowship Group as at 01 June 2024	Waythrough Group as at 01 June 2024
Net Assets	16,485	41,432	57,917

Company	Humankind Co. as at 01 June 2024	Richmond Fellowship Co. as at 01 June 2024	Waythrough Co. as at 01 June 2024
Net Assets	16,509	35,185	51,694

Accounting Policy Alignment

As part of the application of merger accounting, the accounting policies of the combining entities were reviewed and aligned. Adjustments were made to ensure consistency in the recognition and measurement of assets, liabilities, income, and expenses.

The Group reviewed and aligned the accounting policies of Humankind and Richmond Fellowship to ensure consistency across the unified organisation. This assessment included areas including classification of restricted and unrestricted funds, fixed asset and depreciation policies. In particular, the Group aligned depreciation policies for housing properties (depreciated on a component basis over their individual useful economic lives) and for other fixed assets such as IT, fixtures and fittings, and office properties (depreciated on a straight-line basis over periods ranging from 2 to 100 years, depending on asset class). Where differences were identified, adjustments were made to restate balances on a consistent basis. These adjustments are reflected in the opening reserves of Waythrough and ensure comparability and integrity of the consolidated financial statements.

Nature and Extent of Adjustments

Housing components (EUL): Prior to the merger, Humankind applied simplified depreciation, with limited housing component detail and broadly estimated other fixed asset lives, while Richmond Fellowship applied detailed component-based depreciation. HK's housing assets were split and aligned to RF's component methodology, yielding a **net Debit adjustment of £22k**. Refer Note 11

Other fixed assets (EUL): Depreciation policies were standardised across both entities, resulting in a **net credit adjustment of £111k**. Refer Note 12.

Dilapidations provision: HK had a lease-by-lease approach whereas RF had few leased properties so did not have a dilapidation policy. As part of the alignment, RF established a provision of **£317k**, resulting in a retrospective opening adjustment. Refer note 22.

Restricted reserves: Restricted reserves: An additional £5k adjustment was recorded on the HK side to reconcile minor cumulative rounding differences. This has been reflected through expenditure, as shown in Note 4.

These changes ensure consistent and comparable accounting for all fixed assets and provisions under Waythrough's aligned policies. See Tabled analysis below;

SOFA - Group	Humankind Group (pre-merger) 01 April 2024 to 01 June 2024	Richmond Fellowship Group (pre-merger) 01 April 2024 to 01 June 2024	Waythrough Group (post-merger) 01 June 2024 to 31 March 2025	Total 01 April 2024 to 31 March 2025
Total Income	17,355	9,205	137,358	**163,918**
Total Expenditure	17,160	9,422	138,660	**165,242**
Net income/(expenditure)	195	(217)	(1,302)	**(1,324)**
Net Movement in Funds	195	(217)	191	**169**

SOFA - Company	Humankind Co. (pre-merger) as at 01 June 2024	Richmond Fellowship Co. (pre-merger) as at 01 June 2024	Waythrough Co. (post-merger) 01 June 2024 to 31 March 2025	Total 01 April 2024 to 31 March 2025
Total Income	17,331	7,697	130,508	**155,536**
Total Expenditure	17,149	8,279	131,755	**157,183**
Net income/(expenditure)	182	(582)	(1,247)	**(1,647)**
Net Movement in Funds	182	(582)	16	**(384)**

Comparative Information

Comparative figures for the year ended **31 March 2024** have been restated to reflect the combined results of **Humankind** and **Richmond Fellowship** as if the merger had taken place on **1 April 2023**. Comparative figures for the year ended 31 March 2024 have been restated to reflect the aligned accounting policies. The impact of these restatements is disclosed in Note 11, 12, 22 & 4.

Net Movement in Funds (prior year).

SOFA - Group	Humankind Group as at 31 March 2024	Richmond Fellowship Group as at 31 March 2024	Waythrough Group as at 31 March 2024	Group Adjustments* as at 31 March 2024	Waythrough Group, as restated as at 31 March 2024
Net Movement in Funds	574	842	1,416	**4,181**	**5,597**
***Group Adjustments**					
Deferred Income adjustment	4,413				
Merger Accounting policies alignment	(227)				
Restricted Reserve rounding adjustment	(5)				
	4,181				

SOFA - Company	Humankind Co. as at 31 March 2024	Richmond Fellowship Co. as at 31 March 2024	Waythrough Co. as at 31 March 2024	Company Adjustments* as at 31 March 2024	Waythrough Company, as restated as at 31 March 2024
Net Movement in Funds	2,191	235	2,425	**4,186**	**6,611**
***Company Adjustments**					
Deferred Income adjustment	4,413				
Merger Accounting policies alignment	(227)				
	4,186				

Impact on Financial Statements

The merger and subsequent alignment of accounting policies resulted in restated comparative figures, as detailed in Notes 11, 12, 22 & 4. These adjustments had a net debit impact of £233k on Group's and expenditure for the year ended 31 March 2024 income (impact of £228k on Company's income), primarily reflecting an increase in provisions of £317k, partially offset by a credit adjustment of £111k to other fixed assets and a £22k debit adjustment to housing asset components. And a £5k adjustment to Group's Restricted Reserve, posted through and adjustment Expenditure in prior year.

As part of the accounting policy alignment exercise, a detailed review of the classification of assets was undertaken (Housing and Other Fixed Assets). This review resulted in the regrouping of asset costs and associated depreciation charges prior to the application of merger accounting adjustments. The opening alignment adjustments are reflected in Notes 11 & 12.

The financial statements of Waythrough present the results of the combined entities as though they had always operated as a single organisation. Comparative information has therefore been restated on the same basis. The opening reserves of Waythrough represent the aggregate of the reserves of both legacy organisations as at the date of merger.

3. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and they comply with the Accounting Direction for Private Registered Providers of Social Housing 2022, and under the historical cost convention.

The financial statements have been prepared in accordance with Housing SORP 2018; however, aspects of the Charities SORP (FRS102) have been adopted to aid comparability with other registered charities. These include:

- The Consolidated Statement of Financial Activities in place of the Consolidated Statement of Comprehensive Income.
- Income and expenditure notes to include reference to unrestricted and restricted expenditure
- Statement of funds
- Analysis of net assets between funds
- Detailed Note highlighting particulars of income and expenditure around social housing activities, other social activities and non-social activities

Waythrough Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial position in these financial statements.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £'000.

Accounting Policies for Business Combinations

Business combinations involving entities under common control are accounted for using merger accounting. Under this method:

- The results and financial position of the combining entities are presented as if the combination had occurred at the beginning of the earliest comparative period.
- Assets and liabilities are recognised at their carrying amounts.
- No goodwill is recognised.

Disclosure exemptions

The Company is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the exemption from presenting a statement of company cash flows on the grounds that the relevant information is included within the consolidated information presented within these financial statements.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line-by-line basis.

All financial statements are made up to 31 March 2025. Where necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Going concern

The financial statements have been prepared on the going concern basis which the directors consider to be appropriate for the following reasons.

The Trustees have considered the potential impacts of different adverse conditions, such as rising costs and changes in revenue, to ensure the business can continue operating in the immediate term. In this context, we carried out scenario testing on these conditions, examining income reduction from our Social Enterprises, changes in grant conditions, and potential movements in operating costs affecting staff and other operating expenditures.

Other scenario testing included subjective judgments of the impact of increased rent arrears, delayed rent collection and increased voids. In making these assessments, we considered the mitigations available to manage the potential impact on cash flow, which affects the financial viability of the business. Financial forecasts are regularly presented to the Trustees, which include these scenarios and mitigations. The assessment demonstrated that the financial impact could be managed within the approved budget, providing assurance that we had sufficient liquidity to manage the associated financial risks. In addition, the Trustees are regularly updated with our performance against expectations by:

- Detailed quarterly forecasting as part of the monthly reporting cycle.
- Eighteen-month forward rolling cashflow forecast.
- Enforcing a ‘golden rule’ within our Reserves Policy, where cash reserves must remain within a minimum uncommitted cash reserve of £10 million, being £9 million for the company and £1 million for Aquarius.

The Group has no loan commitments or restrictive financial covenants.

The Group’s business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

On this basis, the Trustees have reasonable expectations that the Group and Company have adequate resources to continue the operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Key sources of estimation uncertainty and judgements

The preparation of financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the statement of financial position date, and the reported amounts of revenues and expenses during the reporting period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements, estimates and assumptions have had the most significant effect in amounts recognised in the financial statements:

(a) Critical judgements

In preparing the financial statements, the following judgements, which have, or could have, a material impact on the financial statements, were made:

Application of Merger Accounting

In forming Waythrough on 1 June 2024 through the combination of Humankind and Richmond Fellowship, the trustees considered the appropriate basis of accounting for the transaction. Under FRS 102, business combinations are normally accounted for using the acquisition method. However, FRS 102 and the Charities

SORP permit the use of merger accounting in circumstances where the combination is, in substance, a group reconstruction or a uniting of interests between entities under common control.

The trustees judged that the combination of Humankind and Richmond Fellowship met the conditions for merger accounting. The transaction represented a merger of equals, in which the controlling parties of the combining entities came together in a partnership for the mutual sharing of risks and benefits under the continuing legal entity, which was subsequently renamed Waythrough. Neither party was regarded as the acquirer, nor was any party seen to be dominant in substance. The merger was undertaken for the mutual benefit of service users and stakeholders, and has therefore been accounted for as a uniting of interests, in accordance with the merger accounting principles set out in FRS 102 and the Charities SORP.

As part of applying merger accounting, the accounting policies of Humankind and Richmond Fellowship were reviewed and aligned. Adjustments were made to ensure consistency in the recognition and measurement of assets, liabilities, income, and expenditure. Refer Notes 11, 12, 22 & 4.
Key areas of alignment included:

- Depreciation policies: Housing properties are depreciated on a component basis, while other fixed assets (IT, office equipment, leasehold improvements) are depreciated on a straight-line basis.
- Dilapidation provisions: Recognition of liabilities for leased properties where restoration obligations exist.
- Restricted Reserve: Ensuring consistent treatment of restricted and unrestricted funds.

Classification of housing property
It is the Group's opinion that while rental income is received from the provision of social housing, the primary purpose is to provide social benefits. The provision of social housing is therefore akin to supplying a service and so property held for this purpose has been accounted for as property, plant and equipment. This treatment is consistent with housing associations that have chosen the alternative option of applying the revised UK GAAP (FRS 102), which contains explicit provisions for this scenario and arrives at a similar conclusion; it is also consistent with guidance contained in the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018 (the SORP). Refer Note 6.

Identification of housing property components
Housing property depreciation is calculated on a component-by-component basis. The identification of such components is a matter of judgment and may have a material impact on the depreciation charge. The components selected are those which reflect how the major repairs to the property are managed. Refer Note 11.

Properties let to other service providers
Properties let to other service providers are classed as property, plant and equipment rather than as investment properties, as the properties are retained primarily to ensure the continued provision of services to beneficiaries, rather than for capital gain or income generation. Refer Note 13.

Cap on net pension scheme asset
The net defined pension scheme asset is recognised only to the extent of the net present value of the estimated future Group contributions to the scheme, as it is deemed to be unlikely that the scheme trustees would make refunds to the Group. Refer Note 28.

(b) Key accounting estimates and assumptions

The charitable group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of revenue
Income from the provision of services is recognised as the services are provided. In most cases, the services are provided in accordance with the funding agreement, but in a minority of cases, the funder may contend that the services haven't been fully provided and retrospectively demand that a proportion of the invoiced

income be refunded. Estimates are therefore necessary as to the extent to which invoiced income may be repayable. Refer Note 6.

Useful lives

Depreciation of assets is calculated based on the cost and the estimated useful lives of the assets. The expected useful lives for housing property components is estimated based on the expected replacement frequency used for asset management purposes. Refer Note 11.

Dilapidations

The dilapidation provision is assessed on a lease-by-lease basis. Dilapidation costs are provided by the Waythrough premises team who have detailed knowledge of the buildings and any works that may need to be carried out on exiting a building. The provision accrues over the term of the lease, taking due account of any upcoming break clauses. Refer Note 22.

Impairments of housing and other properties held social purposes

The cost of purchasing an equivalent property on the open market is estimated based on the sales prices for similar properties in or near the same location.

The rebuilding cost of structures and components is based on the current build costs obtained from market data (being primarily construction indices) applied to the relevant building size and type.

Major Repairs

Major repairs are capitalised to the extent that they relate to the replacement or restoration of a separately identified property component or where the expenditure results in the enhancement of the economic benefits of the assets such as an increase in rental income, a reduction in future maintenance costs or a significant extension to its useful economic life. In any other circumstances repairs are charged to the Statement of Financial Activities as incurred. Refer Note 11.

Residual value of social housing properties

It is considered that the estimate of residual value of social housing properties has a significant impact on the carrying amount of social housing assets. The Group consider the residual value of social housing property structure to be cost. Refer Note 11.

Rent arrears and other debtors

Provision is made for rent arrears where there is objective evidence concerning recoverability. This is an estimate based on past experience, the current level and age profile of the arrears / debtors, and the specific circumstances relating to a particular rent arrear or debt. Refer Note 6.

Investment Properties

Properties rented on the open market are valued based on the Market value approach subject to occupational agreements and normal market period of 6-12 months. Refer Note 13.

Carrying values

The carrying amount of the assets and liabilities affected by the above estimates are set out in the notes below.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents rental income receivable; fees from local authorities and other funders for the provision of services; grant income from the Government and other bodies; income from fundraising activities and amounts receivable for goods sold. All such amounts are stated excluding VAT where this has been applied.

Income is recognised as follows (refer Note 3):

- *Income from charitable activities includes income recognised as earned where the related services are provided under contract or where entitlement to grant funding is subject to specific performance conditions. Grant income included in funding is subject to specific performance conditions. Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Grants,*

where entitlement is not conditional on the delivery of a specific performance by the group, are recognised when the group becomes unconditionally entitled to the grant.

- *Voluntary income is received by way of donations and is included in full in the Statement of Financial Activities when received.*
- *Income from other trading activities is revenue from contracts for the provision of professional services and is recognised at the fair value of the consideration received or receivable for the provision of services provided in the normal course of business and is shown net of VAT and other sales related taxes.*
- *The company recognises revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the entity.*
- *Investment income is recognised on a receivable basis. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.*
- *Property rental income represents all rental and service charge receivable when it falls due and amortised capital grant.*
- *Rental Income – on a time apportioned basis.*
- *Service Income – as the services are provided.*
- *Donations – when the Group has entitlement, the donation can be measured reliably, and receipt is probable.*
- *Revenue (performance) grants – in the same period as the expenditure to which they relate.*
- *Government capital grants - recognised using the accruals model and initially deferred and then credited to revenue on a straight-line basis over the expected life of the asset which they have funded.*
- *Other capital grants – recognised using the performance model, with recognition being when the Group has entitlement, the grant can be measured reliably, and receipt is probable.*

Donated assets and services which would otherwise have been purchased are included at the estimated expenditure purpose, the donations may become repayable in which case the liability is recognised when the related asset is disposed of or when it ceases to be used for the approved purpose.

Expenditure

Expenditure is recognised on an actual basis when a liability is incurred. Expenditure is net of recoverable VAT where conditions for recovery are met. All other expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Costs of generating funds comprises the support costs from central functions associated with attracting voluntary income.

Charitable group expenditure comprises those costs incurred by the group in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable group activities. Governance costs are those incurred in connection with administration of the charitable group and compliance with constitutional and statutory requirements.

Support costs are those functions that assist the work of the group but do not directly undertake charitable activities. Support costs include governance, finance, information technology, human resources and quality. These costs have been allocated to expenditure on charitable activities.

Charitable activities and governance costs are costs incurred on the charitable group's operations, including support costs and costs relating to the governance of the group apportioned to charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs. Refer Note 4.

All expenditure is inclusive of irrecoverable VAT.

Arrears

Debtors include the total rent and service charge arrears which is comprised of both current and former tenant arrears. Former tenant arrears are fully provided for in the financial statements at the point the tenant leaves the property. Current tenant arrears are provided for at specific rates according to the age of the debt. Refer Note 16.

Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements and defined benefit and defined contribution pension plans. Refer Note 9.

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Defined contribution pension plan

The Group operates a defined contribution plan, whereby the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the statement of financial position. Refer Note 28.

The assets of the plan are held separately from the Group in independently administered funds.

State plan

The Group is an admitted body to the NHS Pension Scheme, a multi-employer defined benefit pension scheme. The Group has no ongoing liability to this scheme other than to pay contributions as they fall due, and this plan is accounted for as a defined contribution plan. Refer Note 28.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive upon retirement, usually dependent on several factors, including age, length of service, and remuneration.

The asset recognised in the statement of financial position in respect of the defined benefit plan is the lower of the fair value of the plan assets at the reporting date, less the present value of the defined benefit obligation at the reporting date, and the net present value of the estimated future Group contributions to the scheme.

The defined benefit obligation is calculated using the projected unit credit method. Annually, the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high-quality corporate bonds denominated in sterling and with terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other gains and losses. These amounts, together with the return on plan assets, less amounts included in net interest, are disclosed as 'Re-measurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in operating expenditure in the statement of financial activities as employee costs, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the statement of financial activities as 'Finance expense'. Any surpluses generated by the scheme is not recognised due to the application of the asset ceiling cap.

The group also has three members of staff who are members of the South Yorkshire Pension Authority, a Local Government Pension Scheme (LGPS). This is a defined benefit scheme. The group has obtained an LGPS valuation as at 31 March 2025 and at the scheme exit date. See note 28 for further details.

The LGPS is a funded scheme multi-employer scheme. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised as other gains and losses.

Actuarial gains and losses are recognised immediately as other gains and losses.

The LGPS assets are managed by the scheme trustees at scheme level, and the determination / allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns, and benefit payments made (either on a cash basis or actuarial basis).

The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. Refer Note 28.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date. Refer Note 17.

Termination benefits are recognised when employees accept the company's offer to those benefits. Termination benefits provided as a result of the termination are recognised when the company has communicated its plan of termination to the affected employees.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Investment income, gains and losses are allocated to the appropriate fund. Refer Note 23.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Trade and other debtors and creditors, including rent arrears and rent paid in advance, are classified as basic financial instruments and measured at initial recognition at transaction price. Such debtors and creditors are subsequently measured at amortised cost using the effective interest rate method, save that amounts expected to be settled within 12 months are not discounted. An impairment provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents and long-term bank deposits are classified as basic financial instruments and are initially recognised at their transaction price and subsequently at fair value.

Interest bearing bank and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the counterparty, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Financial assets are derecognised when either the contractual rights to the cash flows from the asset are settled or expire, or when substantially all the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities are derecognised when the liability is extinguished, that is when contractual obligation is discharged, cancelled or expires. Refer Note 26.

Managed properties

Income and expenditure relating to housing properties managed by the Group are recognised in the statement of financial activities where the Group is exposed to a significant proportion of the risks and rewards associated with the properties. Refer Note 25.

Housing and other properties used for social purposes

Housing and other properties used for social purposes are properties which are held to provide residential accommodation, shared ownership, nursing homes or day care centres. These properties are stated at cost less accumulated depreciation and any recognised impairment loss. The cost of the properties is the purchase price together with those costs that are directly attributable to acquisition and construction up to the date of completion.

Properties in the course of construction are not depreciated.

For freehold housing properties, depreciation is charged on major components so as to write down the cost of the components to their estimated residual value on a straight-line basis over their estimated useful lives as follows:

Freehold Land	Indefinite	Structure	100 years
Pitched Roof	60 years	Windows	40 years
Flat Roof	20 years	Boilers	15 years
Bathrooms	20 years	Kitchens	15 years
Wiring	30 years	Fire Systems	10 years

Subsequent expenditure which relates to either the replacement of previously capitalised components or the enhancement of such components which results in incremental future benefits is capitalised and the carrying amount of any replaced component or part component is derecognised. Any other expenditure incurred in respect of repairs is charged to operating expenses in the statement of financial activities. Refer Note 11.

Other tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method. Refer Note 12.

Depreciation is provided on the following bases:

Freehold premises	2–100 years (1-50%)
Leasehold premises	2–100 years (1-50%)
Furniture, Fixtures and Fittings	2–5 years (1-20%)
Computer, IT & other office equipment	5 years (20%)
Computer software	5–10 years (10-20%)
Motor Vehicles	3-5 years (20-33%)

Inventories

Inventories are stated at cost less provision for impairment losses. Refer Note 15.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indicator that the asset (or asset's cash generating unit) may be impaired. If there is such an indicator the recoverable amount of the asset (or asset's cash generating unit; CGU) is compared to the carrying amount of the asset (or asset's cash generating unit).

Assets not used for social purposes

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use (VIU) is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the operating expenses unless the asset has been revalued when the amount is recognised in other gains and losses to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Assets used for social purposes, including housing and other properties

For the purposes of impairment assessments, housing and other properties used for social purposes are assessed on a property-by-property basis.

At each statement of financial position date, the properties are assessed to determine if there are indicators that the property may be impaired in value; if there are such indicators of impairment, then a comparison of the property's carrying value to its recoverable amount is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as operating expenses in the statement of financial activities; the carrying value is reduced appropriately. The recoverable amount of a property is the higher of its fair value less costs to sell and its value in use. Value in use for properties which are able to be used in their current condition, and which are fulfilling the social purpose for which they were acquired is based on the depreciated replacement cost of the asset. For other schemes, value in use is defined as the net present value of the future cash flows before interest generated from the scheme.

When an impairment loss is subsequently reversed, the carrying amount of the property is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in operating expenses in the statement of financial activities.

Government grants (social housing grants - SHG)

Government grants are recognised when there is reasonable assurance that the Group will receive the grant and be able to comply with the terms of the grant. Grants are classified as either relating to assets or as relating to revenue.

Grants relating to assets are accounted for using the accrual model and are recognised as revenue in the statement of financial activities over the period of the estimated life of the relevant asset to which it relates as follows:

- Grants relating to whole properties – over the useful life of the structure
- Grants relating to components – over the useful life of the relevant components

Grants relating to assets are derecognised when the asset to which they relate is derecognised.

Grants which relate to revenue are accounted for using the performance model and are recognised in the statement of financial activities as the associated costs to which the grant relates are recognised.

Any grants which are received but are not recognised are disclosed as liabilities.

Grant relating to a property which is sold is derecognised and disclosed as a liability where repayment or recycling is required. Where SHG is recycled, it is credited to a fund which appears as a creditor until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year. Refer Note 21.

Current asset investments

Investments are stated at fair value and any changes in the fair value are recognised in the statement of financial activities. Refer Note 14.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to operating expenses in the statement of financial activities on a straight-line basis over the life of the lease.

Incentives received to enter into an operating lease are credited to operating expenses, to reduce the lease expense, on a straight-line basis over the period of the lease. Refer Note 8.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits and other highly liquid investments which have a maturity of three months or less.

In certain cases, the Group and its employees assist individuals to manage their money in their bank accounts. These bank accounts do not relate to the Group and are therefore not dealt with in these financial statements.

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects

the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Value Added Tax

The Group is registered for VAT and the balances shown in these accounts exclude VAT where applicable. Irrecoverable input VAT is expensed as incurred and is analysed in line with the underlying expense to which it relates.

Taxation

All entities within the Group are registered charities and are able to obtain relief from corporation tax, provided that they operate within certain charitable exemptions, including applying all income to charitable purposes. Since these conditions have been fulfilled, these entities do not recognise provisions for taxation.

Provision is made for direct and deferred tax in respect of non-charitable subsidiaries; currently, the activities of non-charitable subsidiaries are immaterial to the Group.

Note 3: Income

WAYTHROUGH GROUP

	Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	Total Funds 2025 £'000	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Total Funds 2024 £'000
CHARITABLE ACTIVITIES						
Substance misuse	44,893	46,958	91,851	43,793*	43,200*	86,993
Criminal justice	4,721	527	5,248	4,589*	384	4,973
Work and skills	887	2,992	3,879	1,261	1,549*	2,810
Community services	1,484	319	1,803	1,870	1,448*	3,318
Independent living services (Note 6a)	2,930	919	3,849	2,630*	540*	3,170
Housing (Note 6a & 6b)	10,688	-	10,688	11,232	-	11,232
Supporting people contract income	13,542	-	13,542	14,340	-	14,340
Premises	-	-	-	195	-	195
Commercial property	30	-	30	30	226*	256
Central support services	145	129	274	197	130	327
Registered nursing home lettings	762	-	762	714	-	714
Crisis Houses	5,455	-	5,455	4,769	-	4,769
Community based projects	24,940	-	24,940	21,536	-	21,536
Other	781	-	781	1,049	-	1,049
TOTAL	**111,258**	**51,844**	**163,102**	**108,205**	**47,477**	**155,682**
DONATION AND LEGACIES						
Donations	180	15	195	186	-	186
TOTAL	**180**	**15**	**195**	**186**	**-**	**186**
OTHER TRADING ACTIVITIES						
Leased to 3rd Party Providers	169	-	169	148	-	148
Market Rent	127	-	127	147	-	147
Contract Cleaning & Maintenance	113	-	113	46	-	46
TOTAL	**409**	**-**	**409**	**341**	**-**	**341**
INVESTMENT INCOME						
Income from listed investments	212	-	212	203	-	203
Net return on post-employment benefits	-	-	-	3	-	3
TOTAL	**212**	**-**	**212**	**206**	**-**	**206**

*The prior year adjustment resulted in £3.72m being credited to restricted funds and £0.69m to unrestricted funds.

Note 3: Income

WAYTHROUGH COMPANY

	Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	Total Funds 2025 £'000	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Total Funds 2024 £'000
CHARITABLE ACTIVITIES						
Substance misuse	44,892	46,958	91,850	42,010*	42,794*	84,804
Criminal justice	4,721	527	5,248	4,589*	384	4,973
Work and skills	887	2,992	3,879	1,261	1,549*	2,810
Community services	1,484	319	1,803	1,870	1,448*	3,318
Independent living services (Note 6a)	2,930	919	3,849	2,630*	540*	3,170
Housing (Note 6a & 6b)	10,688	-	10,688	11,232	-	11,232
Supporting people contract income	13,542	-	13,542	14,340	-	14,340
Premises	-	-	-	195	-	195
Commercial property	30	-	30	30	226*	256
Central support services	145	129	274	199	130	329
Registered nursing home lettings	762	-	762	714	-	714
Crisis Houses	5,455	-	5,455	4,769	-	4,769
Community based projects	16,618	-	16,618	15,402	-	15,402
Other	762	-	762	1,018	-	1,018
TOTAL	**102,916**	**51,844**	**154,760**	**100,259**	**47,071**	**147,330**
DONATION AND LEGACIES						
Donations	180	15	195	1,777	-	1,777
TOTAL	**180**	**15**	**195**	**1,777**	**-**	**1,777**
OTHER TRADING ACTIVITIES						
Leased to 3rd Party Providers	169	-	169	148	-	148
Market Rent	127	-	127	147	-	147
Contract Cleaning & Maintenance	73	-	73	46	-	46
TOTAL	**369**	**-**	**369**	**341**	**-**	**341**
INVESTMENT INCOME						
Income from listed investments	212	-	212	203	-	203
Net return on post-employment benefits	-	-	-	3	-	3
TOTAL	**212**	**-**	**212**	**206**	**-**	**206**

*The prior year adjustment resulted in £3.72m being credited to restricted funds and £0.69m to unrestricted funds.

Note 4: Expenditure

WAYTHROUGH GROUP

	Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	Total Funds 2025 £'000	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Total Funds 2024 £'000
CHARITABLE ACTIVITIES						
Substance misuse	43,110	45,555	88,665	41,706	40,324*	82,030
Criminal justice	4,453	526	4,979	4,128	382	4,510
Work and skills	840	2,900	3,740	1,357	1,599	2,956
Community services	1,481	336	1,817	1,911	1,195	3,106
Independent living services	2,934	969	3,903	2,009	502	2,511
Housing	10,259	161	10,420	11,153	198	11,351
Supporting people contract income	14,873	-	14,873	15,660	-	15,660
Premises	-	-	-	234	-	234
Commercial property	62	25	87	64	26	90
Central support services	888	129	1,017	1,514	130	1,644
Registered nursing home lettings	647	-	647	681	-	681
Crisis Houses	6,251	-	6,251	5,031	-	5,031
Community based projects	25,018	-	25,018	20,291	-	20,291
Other expenses (incl. Investment management)	991	-	991	1,422	-	1,422
TOTAL	**111,807**	**50,601**	**162,408**	**107,161**	**44,356**	**151,517**
DONATION AND LEGACIES						
Donations	3	-	3	666	-	666
TOTAL	**3**	**-**	**3**	**666**	**-**	**666**
EXPENDITURE ON OTHER TRADING ACTIVITIES						
Leased to 3rd Party Providers	73	-	73	122	-	122
Market Rent	33	-	33	-	-	-
Contract Cleaning & Maintenance	37	-	37	47	-	47
TOTAL	**143**	**-**	**143**	**169**	**-**	**169**
NON-RECURRING ITEMS						
Merger costs	2,688	-	2,688	636	-	636
TOTAL	**2,688**	**-**	**2,688**	**636**	**-**	**636**

* As part of merger accounting and the alignment of accounting policies, Humankind's Restricted Reserve balance was reviewed and adjusted to correct a cumulative rounding difference of £5k carried forward over previous years. The adjustment has been reflected through prior year expenditure.

Note 4: Expenditure

WAYTHROUGH COMPANY

	Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	Total Funds 2025 £'000	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Total Funds 2024 £'000
CHARITABLE ACTIVITIES						
Substance misuse	43,111	45,555	88,666	39,992	39,914	79,906
Criminal justice	4,453	526	4,979	4,128	382	4,510
Work and skills	840	2,900	3,740	1,357	1,599	2,956
Community services	1,481	336	1,817	1,911	1,195	3,106
Independent living services	2,934	969	3,903	2,723	502	3,225
Housing	10,259	161	10,420	11,153	198	11,351
Supporting people contract income	14,873	-	14,873	15,660	-	15,660
Premises	-	-	-	234	-	234
Commercial property	62	25	87	64	26	90
Central support services	888	129	1,017	1,369	130	1,499
Registered nursing home lettings	647	-	647	681	-	681
Crisis Houses	6,251	-	6,251	5,031	-	5,031
Community based projects	17,009	-	17,009	14,518	-	14,518
Other expenses (incl. Investment management)	963	-	963	1,395	-	1,395
TOTAL	**103,771**	**50,601**	**154,372**	**100,216**	**43,946**	**144,162**
DONATION AND LEGACIES						
Donations	3	-	3	13	-	13
TOTAL	**3**	**-**	**3**	**13**	**-**	**13**
EXPENDITURE ON OTHER TRADING ACTIVITIES						
Leased to 3rd Party Providers	73	-	73	122	-	122
Market Rent	33	-	33	-	-	-
Contract Cleaning & Maintenance	14	-	14	24	-	24
TOTAL	**120**	**-**	**120**	**146**	**-**	**146**
NON-RECURRING ITEMS						
Merger costs	2,688	-	2,688	636	-	636
TOTAL	**2,688**	**-**	**2,688**	**636**	**-**	**636**

Note 5: Support Cost Classification

	Support costs 2,025 £'000	Governance costs 2,025 £'000	Total 2,025 £'000	Total 2,024 £'000
Business Development and Comms	1,984	-	1,984	3,449
Finance, legal and IT	5,505	-	5,505	2,964
HR and Training (L&D)	3,307	-	3,307	3,991
Governance	-	2,645	2,645	2,921
	10,796	**2,645**	**13,441**	**13,325**

	Activities directly undertaken 2,025 £'000	Support and governance costs 2,025 £'000	Total Funds 2,025 £'000	Total 2,024 £'000
Substance Misuse	81,385	7,283	88,668	82,031
12 hour supported housing	8,847	963	9,810	8,941
24 Hour Supported Housing	8,072	547	8,619	10,612
Community Services	5,968	557	6,525	7,455
Crisis House	5,742	520	6,262	5,473
CQC Registered Care Home	5,047	472	5,519	5,771
Criminal Justice	4,571	409	4,980	4,510
Employment Service	4,027	300	4,327	863
Independent Living Services	3,582	320	3,902	2,511
Housing	3,457	309	3,766	3,237
Work and Skills	3,433	307	3,740	2,956
ES IAPT	3,173	348	3,521	2,983
Individual Placement Scheme	2,309	332	2,641	3,985
Central	1,759	-	1,759	1,060
Crisis Haven	1,107	107	1,214	869
Central support services	934	151	1,085	1,644
Garden Centre	949	53	1,002	137
Floating Support	788	94	882	984
Domestic Violence	698	90	788	686
Perpetrator Programme	661	41	702	403
DA IAPT	611	48	659	433
Cafe	342	9	351	434
Safe Haven	323	22	345	511
Family Services	246	50	296	396
Third Party Lease - Social Housing	217	38	255	298
Counselling Services	147	13	160	111
Domestic Abuse Counselling Services	138	11	149	9
Commercial Property	133	22	155	92
Nursing Homes	101	-	101	158
Intensive Housing Management	90	4	94	445
Social Enterprise OM	70	21	91	1,263
Premises	-	-	-	234
Humankind Generic	28	-	28	-
Survivor Programme	-	-	-	21
YP Domestic Abuse	9	-	9	0
YP Drug and Alcohol	3	-	3	1
	148,969	**13,442**	**162,408**	**151,517**

Total 2024	**138,192**	**13,325**	**151,517**

Note 6a: Consolidated Social housing and social housing activities

WAYTHROUGH GROUP

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	2025	2025	2025
Social housing activities	£'000	£'000	£'000
Income and expenditure from lettings	10,688	10,420	268
Other social housing activities			
Independent living services	3,849	3,903	(54)
Supported people contract income	13,686	14,873	(1,187)
Total	**28,223**	**29,196**	**(973)**
Non-Social Housing Activities			
Registered nursing home lettings	762	647	115
Crisis Houses	5,455	6,251	(796)
Community based projects	127,721	124,219	3,502
Other	1,085	2,095	(1,010)
Total	**135,023**	**133,212**	**1,811**
TOTAL	**163,246**	**162,408**	**838**

Note 6b: Particulars of income and expenditure from social housing - Group

	2025	2024
	£'000	£'000
Income from social housing letting activities		
Rent receivable	4,699	5,089
Service charge income	6,882	7,334
Gross rent receivable	**11,581**	**12,423**
Rent losses from voids	1,160	1,450
Net rents receivable	10,421	10,973
Amortised government grants	235	250
Other income	32	9
Total income from social housing letting activities	**10,688**	**11,232**
Expenditure on social housing letting activities		
Housing management	1,668	1,875
Service charge cost	5,015	5,522
Routine Maintenance	870	849
Planned Maintenance	100	42
Major Repairs Expenditure	175	121
Bad Debts	162	(22)
Property Lease Charges	1,864	2,208
Depreciation of Housing Properties and associated fixtures, fittings and equipment	566	527
Total expenditure on social housing letting activities	**10,420**	**11,122**
Operating surplus on social housing letting activities	**268**	**110**
Void%	**10.0%**	**11.7%**

Note 6a: Social housing and social housing activities

WAYTHROUGH COMPANY

	Turnover 2025 £'000	Operating Costs 2025 £'000	Operating Surplus/(Deficit) 2025 £'000
Social housing activities			
Income and expenditure from lettings	10,688	10,420	268
Other social housing activities			
Independent living services	3,849	3,903	(54)
Supported people contract income	13,686	14,873	(1,187)
Total	**28,223**	**29,196**	**(973)**
Non-Social Housing Activities			
Registered nursing home lettings	762	647	115
Crisis Houses	5,455	6,251	(796)
Community based projects	119,397	116,211	3,186
Other	1,066	2,067	(1,001)
Total	**126,680**	**125,176**	**1,504**
TOTAL	**154,903**	**154,372**	**531**

Note 6b: Particulars of income and expenditure from social housing - Company

	2025 £'000	2024 £'000
Income from social housing letting activities		
Rent receivable	4,699	5,089
Service charge income	6,882	7,334
Gross rent receivable	**11,581**	**12,423**
Rent losses from voids	1,160	1,450
Net rents receivable	10,421	10,973
Amortised government grants	235	250
Other income	32	9
Total income from social housing letting activities	**10,688**	**11,232**
Expenditure on social housing letting activities		
Housing management	1,668	1,875
Service charge cost	5,015	5,522
Routine Maintenance	870	849
Planned Maintenance	100	42
Major Repairs Expenditure	175	121
Bad Debts	162	(22)
Property Lease Charges	1,864	2,208
Depreciation of Housing Properties and associated fixtures, fittings and equipment	566	527
Total expenditure on social housing letting activities	**10,420**	**11,122**
Operating surplus on social housing letting activities	**268**	**110**
Void%	**10.0%**	**11.7%**

Throughout the year we operated a few residential crisis services which are not considered to be social housing (and the premises were not provided with the support of social housing grant) and as such are excluded from all the data contained within this note.

Note 7: Interest receivable and financial income

	2025 Group £'000	2024 Group £'000	2025 Company £'000	2024 Company £'000
Bank interest receivable	1,038	1,134	808	878
Finance Costs*	(78)	(67)	(78)	(67)
TOTAL	**960**	**1,067**	**730**	**811**

*Included under Finance Costs is 'Recycled capital grant fund interest' payable

Note 8: Leases

The Group lets certain of their housing properties to social housing tenants and to other social landlords.

Social housing tenancies

The social housing tenancy agreements are governed by housing law and rents levels are governed by the Government through powers derived from the Housing and Regeneration Act 2008. Housing law sets out various safeguards for tenants, the effect of which is to make gaining possession of the properties in the event of a default by tenant an onerous process requiring Court action by the Group. In addition, where a tenant is in default through the failure to pay rent due, the Court, rather than terminating the tenancy, will usually order that the tenant clears the arrears over a number of years by making small weekly payments.

The tenants have no statutory rights or rights under the tenancy agreements to purchase the properties.

Properties let to other social housing landlords

Waythrough has a few properties which are let under non-cancellable operating leases to other social landlords for the provision of social housing and will receive the following future rents from such properties:

	2025 Group £000	2024 Group £000	2025 Company £000	2024 Company £000
Rents due within one year	83	79	83	79
Rents due between one and five years	-	108	-	108
Rents due after five years	-	-	-	-
Total	**83**	**187**	**83**	**187**

Note 9: Staff costs

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Wages and salaries	87,682	78,179	81,590	72,541
Social security costs	8,140	7,093	7,636	6,618
Redundancy payments	251	246	250	246
Contribution to defined contribution pension schemes	2,172	3,291	2,161	3,005
Operating costs of defined benefit pension schemes	75	11	75	11
	98,320	**88,820**	**91,712**	**82,421**

The average number of persons employed during the year was as follows:

Charitable activities	1,807	1,720	1,794	1,706
Support activities	1,281	1,185	1,091	1,036
Generating funds	95	78	-	-
	3,183	**2,983**	**2,885**	**2,742**

The number of employees whose employee benefits exceeded £60,000 were:

In the band £60,001 - £70,000	22	18	22	18
In the band £70,001 - £80,000	9	12	8	11
In the band £80,001 - £90,000	8	8	8	8
In the band £90,001 - £100,000	5	2	5	2
In the band £100,001 - £110,000	1	6	1	6
In the bank £110,001 - £120,000	1	1	1	1
In the band £120,001 - £130,000	1	2	1	2
In the band £130,001 - £140,000	-	-	-	-
In the band £140,001 - £150,000	4	-	4	-
In the band £150,001 - £160,000	1	-	1	-
In the band £170,001 - £180,000	1	1	1	1
In the band £210,000 - £220,000	1	-	1	-
	54	**50**	**53**	**49**

Note 9 (continued): Key management emoluments

Emoluments (including pension contributions and benefits in kind)

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Executive staff	1,359	1,891	1,288	1,820
Non-executive directors	53	63	53	63
	1,412	**1,954**	**1,341**	**1,883**
Employers' national insurance	176	219	168	211
	1,588	**2,173**	**1,509**	**2,094**

Emoluments (excluding pension contribution, including benefits in kind) paid to the highest paid Director

Emoluments (excluding pension contribution, including benefits in kind) paid to the highest paid Director	191	175	191	175
Pension contributions for the highest paid director	15	10	15	10
Directors' emoluments as defined by the Companies Act 2006	**1,459**	**1,789**	**1,459**	**1,789**

Note 9 (continued): Trustees' remuneration and expenses

In 2025, Waythrough paid £53k to its Trustees (2024: £63k). During the year ended 31 March 2025, expenses totalling £3,343 were reimbursed or paid directly to Trustees (2024: £3,518).

Note 10: Surplus of the Year

	2025 Group £'000	2024 Group £'000	2025 Company £'000	2024 Company £'000
Depreciation & Impairment of tangible owned fixed assets	3,414	2,336	3,367	2,297
Auditor's Remuneration: (Excluding VAT)				
Audit of Group Annual Accounts	186	156	127	156
Audit of Group Subsidiary Accounts	54	41	-	-
Operating Leases				
Receivables from non-cancellable operating leases	83	79	83	79
Payments under non-cancellable operating leases	2,303	2,547	2,303	2,547
Rents payable under property licenses	2,551	2,263	2,424	2,256
Surplus / (deficit) on disposal of fixed assets				
Net proceeds from the sale of fixed assets	1,392	2,198	1,392	2,198
Less: net book value of assets sold	(243)	(1,602)	(243)	(1,602)
Less: capital grant recycled	(801)	(361)	(801)	(361)
Total surplus on disposal	**348**	**235**	**348**	**235**

Note 11 Housing Fixed Assets

WAYTHROUGH GROUP

	Social Housing Properties	Crisis Houses	Garden Centre	Total
	£000	£000	£000	£000
Cost:				
At 1 April 2024	**31,029**	**2,867**	**951**	**34,847**
Adjustment: aligning schedule (Note 2)	(732)	0	0	(732)
Adjustment: aligning policies (Note 2)	(1)	0	0	(1)
At 1 April 2024 - restated	**30,296**	**2,867**	**951**	**34,114**
Additions: Existing Properties	1,235	498	0	1,733
Additions: Components	2,626	891	0	3,517
Released from WIP	(1,886)	(340)	0	(2,226)
Disposals during the year	(1,349)	(6)	0	(1,355)
At 31 March 2025	**30,922**	**3,910**	**951**	**35,783**
Depreciation:				
At 1 April 2024	**5,534**	**211**	**71**	**5,816**
Adjustment: aligning schedule (Note 2)	(535)	0	0	(535)
Adjustment: aligning policies (Note 2)	*(176)*	*0*	*0*	*(176)*
At 1 April 2024 - restated	**4,823**	**211**	**71**	**5,105**
Charge for the year	366	45	10	421
Disposals: Components	(564)	(4)	0	(568)
At 31 March 2025	**4,625**	**252**	**81**	**4,958**
Net Book Value				
At 31 March 2025	**26,297**	**3,658**	**870**	**30,825**
At 31 March 2024	**25,495**	**2,656**	**880**	**29,031**
At 31 March 2024 – restated*	**25,473**	**2,656**	**880**	**29,009**

*As part of merger accounting and the alignment of accounting policies, the Group recognised an opening adjustment of £22k, restating the originally signed off 2024 Group accounts from £29,031k to £29,009k.

Housing and other properties used for social purposes at cost comprise:

	2025 Group	2024 Group-revised	2025 Company	2024 Company-revised
	£'000	£'000	£'000	£'000
Freehold	25,758	24,831	22,999	22,342
Long Leasehold	539	642	539	642
	26,297	**25,473**	**23,538**	**22,984**

Note 11 Housing Fixed Assets

WAYTHROUGH COMPANY

	Social Housing Properties	Crisis Houses	Garden Centre	Total
	£000	£000	£000	£000
Cost:				
At 1 April 2024	**28,158**	**2,875**	**951**	**31,984**
Adjustment: aligning schedule (Note 2)	(732)	0	0	(732)
Adjustment: aligning policies (Note 2)	(1)	0	0	(1)
At 1 April 2024 - restated	**27,425**	**2,875**	**951**	**31,251**
Additions: Existing Properties	964	498	0	1,462
Additions: Components	2,626	891	0	3,517
Released from WIP	(1,886)	(340)	0	(2,226)
Disposals during the year	(1,349)	(6)	0	(1,355)
At 31 March 2025	**27,780**	**3,918**	**951**	**32,649**
Depreciation:				
At 1 April 2024	**5,152**	**210**	**71**	**5,433**
Adjustment: aligning schedule (Note 2)	(535)	0	0	(535)
Adjustment: aligning policies (Note 2)	*(176)*	*0*	*0*	(176)
At 1 April 2024 - restated	**4,441**	**210**	**71**	**4,722**
Charge for the year	365	45	10	420
Disposals: Components	(564)	(4)	0	(568)
At 31 March 2025	**4,242**	**251**	**81**	**4,574**
Net Book Value				
At 31 March 2025	**23,538**	**3,667**	**870**	**28,075**
At 31 March 2024	**23,006**	**2,665**	**880**	**26,551**
At 31 March 2024 – restated*	**22,984**	**2,665**	**880**	**26,529**

*As part of merger accounting and the alignment of accounting policies, the Company recognised an opening adjustment of £22k, restating the originally signed off 2024 company accounts from £26,551k to £26,529k.

Note 12 Other Fixed Assets

WAYTHROUGH Group

	Freehold Office Premises £000	Leasehold Other Properties £000	Motor Vehicles £000	Information Systems £000	Fixtures, Fittings & Equipment £000	Total £000
Cost:						
At 1 April 2024	**4,962**	**5,697**	**317**	**6,197**	**4,457**	**21,630**
Adjustment: aligning schedule (Note 2)	(120)	852	0	44	(36)	740
Adjustment: aligning policies (Note 2)	-	-	-	2,482	(2,482)	(0)
At 1 April 2024 - revised	**4,842**	**6,549**	**317**	**8,723**	**1,939**	**22,370**
Additions in year	375	901	128	2,707	110	4,221
Released from WIP	-	-	-	(33)	-	(33)
Disposals	-	(37)	-	(1,506)	(38)	(1,581)
At 31 March 2025	**5,217**	**7,413**	**445**	**9,891**	**2,011**	**24,977**
Depreciation:						
At 1 April 2024	**1,151**	**2,174**	**158**	**3,380**	**2,188**	**9,051**
Adjustment: aligning schedule (Note 2)	20	515	(0)	(0)	8	543
Adjustment: aligning policies (Note 2)	(2)	(17)	(4)	914	(805)	86
At 1 April 2024 - revised	**1,169**	**2,672**	**154**	**4,294**	**1,391**	**9,680**
Charge for the year**	395	471	52	1,765	340	3,023
Disposals	-	(37)	-	(1,479)	(38)	(1,554)
At 31 March 2025	**1,564**	**3,106**	**206**	**4,580**	**1,693**	**11,149**
Net Book Value						
At 31 March 2025	**3,653**	**4,307**	**239**	**5,311**	**318**	**13,828**
At 31 March 2024	**3,811**	**3,523**	**159**	**2,817**	**2,269**	**12,579**
At 31 March 2024 - revised	**3,673**	**3,877**	**163**	**4,429**	**548**	**12,690**

*As part of merger accounting and the alignment of accounting policies, the Group recognised an opening adjustment of £111k, restating the originally signed off 2024 Group accounts from £12,579k to £12,690k.

**Information systems with a net book value of £518k at 31 March 2025 have been subject to accelerated depreciation in anticipation of migration to Workday in FY2026.

Note 12 Other Fixed Assets

WAYTHROUGH Co.

	Freehold Office Premises	Leasehold Other Properties	Motor Vehicles	Information Systems	Fixtures, Fittings & Equipment	Total
	£000	£000	£000	£000	£000	£000
Cost:						
At 1 April 2024	**4,495**	**5,204**	**292**	**5,717**	**4,201**	**19,909**
Adjustment: aligning schedule (Note 2)	(120)	852	0	44	(36)	740
Adjustment: aligning policies (Note 2)	-	-	-	2,482	(2,482)	(0)
At 1 April 2024 - restated	**4,375**	**6,056**	**292**	**8,243**	**1,683**	**20,649**
Additions in year	347	901	128	1,580	1,177	4,133
Released from WIP	-	-	-	(33)	-	(33)
Disposals	-	-	-	(1,391)	(21)	(1,412)
At 31 March 2025	**4,722**	**6,957**	**420**	**8,399**	**2,839**	**23,337**
Depreciation:						
At 1 April 2024	**1,021**	**1,860**	**132**	**3,119**	**1,866**	**7,998**
Adjustment: aligning schedule (Note 2)	20	515	(0)	(0)	8	543
Adjustment: aligning policies (Note 2)	(2)	(17)	(4)	914	(805)	86
At 1 April 2024 - restated	**1,039**	**2,358**	**128**	**4,033**	**1,069**	**8,627**
Charge for the year**	391	468	52	1,727	340	2,978
Disposals	-	-	-	(1,364)	(21)	(1,385)
At 31 March 2025	**1,430**	**2,826**	**180**	**4,396**	**1,388**	**10,220**
Net Book Value						
At 31 March 2025	**3,292**	**4,131**	**240**	**4,003**	**1,451**	**13,117**
At 31 March 2024	**3,474**	**3,344**	**160**	**2,598**	**2,335**	**11,911**
At 31 March 2024 – restated*	**3,336**	**3,698**	**164**	**4,210**	**614**	**12,022**

*As part of merger accounting and the alignment of accounting policies, the Company recognised an opening adjustment of £111k, restating the originally signed off 2024 company accounts from £11,911k to £12,022k.

**Information systems with a net book value of £518k at 31 March 2025 have been subject to accelerated depreciation in anticipation of migration to Workday in FY2026.

Note 13 Investment properties: non-social housing properties held for letting

Investment properties were valued as at 31 March 2025. The Group's and company investment properties have been valued by Earl & Co Chartered Surveyors, professional external valuers. The full valuation of properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors as follows:

In valuing investment properties, the Market value approach was adopted, subject to occupational agreements and a normal market period of six to 12 months.

Investment properties are initially measured at cost, including any transaction costs. Investment properties are subsequently measured and included in the financial statements at fair value at each year-end. For the purpose of these financial statements, in order to avoid double-counting, the fair value reported is reduced by the carrying amount of any debtor balances resulting from the spreading of lease incentives. Any surplus or deficit on revaluation is recognised initially in the statement of comprehensive income. All revaluation movements are transferred to a non-distributable reserve called the Revaluation reserve unless a deficit below original cost, or its reversal, on an individual property is expected to be permanent, in which case it remains in the profit and loss account as an impairment.

	2025 Group £'000	2024 Group £'000	2025 Company £'000	2024 Company £'000
At 1 April	2,000	1,183	2,000	1,183
Additions/Disposals	-	230	-	230
Increase/(Decrease) in value	494	587	494	587
At 31 March	**2,494**	**2,000**	**2,494**	**2,000**

Note 14 Current Asset Investments

	2025 Group £'000	2024 Group £'000	2025 Company £'000	2024 Company £'000
Listed investments	5,788	6,038	5,788	6,038
	5,788	**6,038**	**5,788**	**6,038**

Group	Listed investments £'000
Cost or valuation	
At 1 April 2024	6,038
Change in market value	(250)
At 31 March 2025	**5,788**

Company	Investments in subsidiaries £'000	Listed investments £'000	Total £'000
Cost or valuation			
At 1 April 2024	**-**	**6,038**	**6,038**
Additions	-	-	-
Disposals	-	-	-
Transfer of net assets from subsidiary	-	-	-
Change in market value	-	(250)	(250)
At 31 March 2025	**-**	**5,788**	**5,788**

Principal subsidiaries

The following were subsidiary undertakings of Waythrough

	Company Number	Holding
More Time (UK) Limited	07738729	100%
The Sector Group Limited (dormant)	07738950	100%
Humankind Support Services Limited	14174303	100%
E D P Drug & Alcohol Services (dormant from 1 July 2023)	02145656	100%
Aquarius Action Projects	02427100	100%

Names	Income £'000	Expenditure £'000	Surplus/(Deficit) for the year £'000	Net assets £'000
More Time (UK) Limited	967	(925)	**42**	**0**
Waythrough Support Services Limited	33,638	(33,638)	**0**	**(20)**
The Sector Group Limited (dormant)	0	0	**0**	**0**
Aquarius Action Projects	8,574	(8,039)	**535**	**6,417**

Note 15 Inventories

	2025 Group £'000	2024 Group £'000	2025 Company £'000	2024 Company £'000
Materials and consumables	342	305	338	302

Note 16 Debtors

	2025 Group £'000	2024 Group £'000	2025 Company £'000	2024 Company £'000
Trade debtors	18,153	18,813	12,446	13,246
Less: Provision for Bad Debts	(1,277)	(1,129)	(1,269)	(1,126)
Prepayments and accrued income	7,505	4,937	6,625	4,585
Amounts owed by group undertakings	227	0	4,519	3,896
Other debtors	100	423	88	413
TOTAL	**24,708**	**23,044**	**22,409**	**21,014**

Note 17 Creditors: Amounts falling due within one year

	2025 Group £'000	2024 Group £'000	2025 Company £'000	2024 Company £'000
Trade creditors	3,102	4,991	3,066	4,952
Other taxation and social security	2,770	3,548	1,870	2,702
Other creditors	1,069	1,232	999	1,114
Accruals and deferred income	14,495	16,826*	13,591	15,679*
Amounts owed to subsidiary undertaking	1	0	52	0
Other loans	0	291	0	291
Other Government Grants (Note 20)	7	45*	7	45*
Social Housing Grants (Note 20)	325	161	325	161
Recycled Capital Grants Fund (Note 19)	980	696	980	696
TOTAL	**22,749**	**27,790**	**20,890**	**25,640**

*The prior year adjustment resulted in releasing £4.13m from Short-term Liabilities into Reserves.

Note 18 Creditors: Amounts falling due after more than one year

	2025 Group £'000	2024 Group £'000	2025 Company £'000	2024 Company £'000
Recycled Capital Grants Fund (Note 20)	816	1,117	816	1,117
Social Housing Grants (Note 21)	10,512	7,844	10,512	7,844
Other Government Grants (Note 21)	55	833*	55	833*
TOTAL	**11,383**	**9,794**	**11,383**	**9,794**

*The prior year adjustment resulted in releasing £0.40m from Long-term Liabilities into Reserves.

Note 19 Borrowings

	2025 Group £'000	2024 Group £'000	2025 Company £'000	2024 Company £'000
Other loans*	-	291	-	291
Payable within one year	-	291	-	291
Payable after one year	-	-	-	-
TOTAL	**-**	**291**	**-**	**291**

*Other loans were a social impact bond liability repaid in full with interest on 1 October 2024. The interest rate is 10.5% pa.

Note 20 Recycled capital grant fund – Group and Company

	HE £'000	GLA £'000	Total £'000
Balance at 31 March 2024	1,059	753	1,812
Recycled on property disposal	801	-	801
Repayments	-	-	-
Draw down	(897)	-	(897)
Interest	43	36	79
Balance at 31 March 2025	**1,006**	**789**	**1,795**
Amounts repayable within one year	191	789	980
Amounts due over 1 year	815	-	815
Total	**1,006**	**789**	**1,795**

Note 21 Government Grants

The government grants received to enable the Group to acquire properties for social purposes. Should the properties to which the grants relate cease to be used for social purposes the grants may be repayable in full. The total grants received by the Group in respect of owned property are as follows:

	2025 Group £'000	2024 Group £'000	2025 Company £'000	2024 Company £'000
Grants credited to Income & Expenditure	3,479	2,437	3,479	2,437
Deferred grants (Notes 17 & 18) – Social Housing Grants	10,838	7,558	10,838	7,558
Deferred grants (Notes 17 & 18) – Other Government Grants	63	1,324	63	1,324
Total	**14,380**	**11,319**	**14,380**	**11,319**

Note 22: Provision for liabilities

	Group £'000	Company £'000
Provisions at 1 April 2023	551	551
Additions	328	328
Released	(238)	(238)
Adjustment: aligning policies*	317	317
Provisions at 31 March 2024	**958**	**958**

Provisions at 1 April 2024	**958**	**958**
Additions	196	196
Released	(70)	(70)
Provisions at 31 March 2025	**1,084**	**1,084**

*As part of Merger Accounting & alignment of Accounting Policies, Richmond Fellowship has enabled an opening Dilapidations Provision of £317k, which did not exist before. Hence the balance as at 01 April 2024 was restated.

The dilapidations provisions are based on the future expected repair costs required to restore the leased buildings to their fair condition at the end of their respective lease terms.

Note 23 Statement of Funds

WAYTHROUGH GROUP – Current Year

Statement of funds	Balance at 1 April 2024 £'000	Income £'000	Expenditure £'000	Transfers in/out £'000	Gains/ (Losses) £'000	Balance at 31 March 2025 £'000
Designated funds						
Fixed Asset Reserve	-	-	-	-	-	-
Maintenance Fund	184	-	-	-	-	184
Total Unrestricted General Funds	**184**	**-**	**-**	**-**	**-**	**184**
Unrestricted General Funds						
Unrestricted funds	48,432	112,122	(112,914)	(583)	-	47,057
Total Unrestricted General Funds	**48,432**	**112,122**	**(112,914)**	**(583)**	**-**	**47,057**
Restricted funds						
Mental illness services to be provided in Cumbria	1,684	-	(31)	-	-	1,653
Big lottery	103	-	-	-	-	103
Independent living	57	919	(969)	8	-	15
Drugs and alcohol						
- Held by Aquarius Action Projects	6,257	-	-	535	-	6,792
- Other	3,315	46,958	(45,682)	19	-	4,610
Health young people and families	65	-	-	-	-	65
Community services	291	319	(336)	-	-	274
Criminal Justice	9	527	(526)	-	-	10
Work and skills	297	2,992	(2,900)	20	-	409
Humankind housing	13	-	(3)	-	-	10
Central	-	129	(129)	-	-	(0)
Commercial Property	200	(24)	-	-	-	176
Recovery fund	5	-	-	-	-	5
Legacies & Donations	396	15	-	-	-	411
Sundry	16	24	(25)	1	-	16
Total Restricted Funds	**12,708**	**51,859**	**(50,601)**	**583**	**-**	**14,549**
Revaluation Reserve						
Investments	3,021	-	(145)	-	(105)	2,771
Total Revaluation Reserve	**3,021**	**-**	**(145)**	**-**	**(105)**	**2,771**
Pension Reserve						
Pension reserve	47	-	12	-	(59)	-
Total Revaluation Reserve	**47**	**-**	**12**	**-**	**(59)**	**-**

Note 23 Statement of Funds

WAYTHROUGH COMPANY – Current Year

Statement of funds	Balance at 1 April 2024 £'000	Income £'000	Expenditure £'000	Transfers in/out £'000	Gains/ (Losses) £'000	Balance at 31 March 2025 £'000
Unrestricted General Funds						
Unrestricted funds	46,883	103,740	(105,085)	(48)	-	45,490
Total Unrestricted General Funds	**46,883**	**103,740**	**(105,085)**	**(48)**	**-**	**45,490**
Restricted funds						
Mental illness services to be provided in Cumbria	1,684	-	(31)	-	-	1,653
Big lottery	103	-	-	-	-	103
Independent living	57	919	(969)	8	-	15
Drugs and alcohol	3,319	46,958	(45,682)	19	-	4,614
Health young people and families	65	-	-	-	-	65
Community services	292	319	(336)	-	-	275
Criminal Justice	10	527	(526)	-	-	11
Work and skills	297	2,992	(2,900)	20	-	409
Humankind housing	13	-	(3)	-	-	10
Central	-	129	(129)	-	-	(0)
Commercial Property	199	(24)	-	-	-	175
Legacies & Donations	396	15	-	-	-	411
Sundry	16	24	(25)	1	-	16
Total Restricted Funds	**6,451**	**51,859**	**(50,601)**	**48**	**-**	**7,757**
Revaluation Reserve						
Investments	3,023	-	(145)	-	(105)	2,773
Total Revaluation Reserve	**3,023**	**-**	**(145)**	**-**	**(105)**	**2,773**
Pension Reserve						
Pension reserve	47	-	12	-	(59)	-
Total Revaluation Reserve	**47**	**-**	**12**	**-**	**(59)**	**-**

Note 23 Statement of Funds

WAYTHROUGH GROUP – Prior Year

Statement of funds	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers in/out £'000	Gains/ (Losses) £'000	Balance at 31 March 2024 £'000
Designated funds						
Fixed Asset Reserve	45	-	-	(45)	-	-
Maintenance Fund	184	-	-	-	-	184
Total Unrestricted General Funds	**229**	**-**	**-**	**(45)**	**-**	**184**
Unrestricted General Funds						
Unrestricted funds	47,146	109,028	(106,838)	(919)	15	48,432
Total Unrestricted General Funds	**47,146**	**109,028**	**(106,838)**	**(919)**	**15**	**48,432**
Restricted funds						
Mental illness services to be provided in Cumbria	1,707	-	(23)	-	-	1,684
Big lottery	103	-	(0)	-	-	103
Independent living	9	540	(502)	10	-	57
Drugs and alcohol						
- Held by Aquarius Action Projects	5,650	-	-	607	-	6,257
- Other	594	42,795	(40,074)	-	-	3,315
Health young people and families	65	-	-	-	-	65
Community services	38	1,448	(1,195)	-	-	291
Criminal Justice	7	384	(382)	-	-	9
Work and skills	-	1,549	(1,599)	347	-	297
Humankind housing	16	-	(3)	-	-	13
Central	-	130	(130)	-	-	-
Commercial Property	-	226	(26)	0	-	200
Recovery fund	5	405	(405)	-	-	5
Legacies & Donations	413	-	(17)	-	-	396
Sundry	16	-	-	-	-	16
Total Restricted Funds	**8,623**	**47,477**	**(44,356)**	**964**	**-**	**12,708**
Revaluation Reserve						
Investments	2,758	-	263	-	-	3,021
Total Revaluation Reserve	**2,758**	**-**	**263**	**-**	**-**	**3,021**
Pension Reserve						
Pension reserve	39	-	5	-	3	47
Total Revaluation Reserve	**39**	**-**	**5**	**-**	**3**	**47**

* As part of merger accounting and the alignment of accounting policies, Humankind's Restricted Reserve balance was with £5k.

** Prior Year Income has been adjusted with £4.41m due to Deferred Income released into Reserves.

Note 23 Statement of Funds

WAYTHROUGH COMPANY – Prior Year

Statement of funds - prior year - Company	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers in/out £'000	Gains/ (Losses) £'000	Balance at 31 March 2024 £'000
Unrestricted General Funds						
Unrestricted funds	44,026	102,660	(99,460)	(358)	15	46,883
Total Unrestricted General Funds	**44,026**	**102,660**	**(99,460)**	**(358)**	**15**	**46,883**
Restricted funds						
Mental illness services to be provided in Cumbria	1,707	-	(23)	-	-	1,684
Big lottery	103	-	(0)	-	-	103
Independent living	9	540	(502)	10	-	57
Drugs and alcohol	594	42,794	(40,069)	-	-	3,319
Health young people and families	65	-	-	-	-	65
Community services	38	1,448	(1,195)	-	-	291
Criminal Justice	7	384	(382)	-	-	9
Work and skills	-	1,549	(1,599)	348	-	298
Humankind housing	16	-	(3)	-	-	13
Central	-	130	(130)	-	-	-
Commercial Property	-	226	(26)	0	-	200
Legacies & Donations	413	-	(17)	-	-	396
Sundry	16	-	-	-	-	16
Total Restricted Funds	**2,968**	**47,071**	**(43,946)**	**358**	**-**	**6,451**
Revaluation Reserve						
Investments	2,760	-	263	-	-	3,023
Total Revaluation Reserve	**2,760**	**-**	**263**	**-**	**-**	**3,023**
Pension Reserve						
Pension reserve	39	-	5	-	3	47
Total Revaluation Reserve	**39**	**-**	**5**	**-**	**3**	**47**

** Prior Year Income has been adjusted with £4.41m due to Deferred Income released into Reserves.

Note 24 Analysis of Net Assets between Funds

WAYTHROUGH GROUP

	Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	Total Funds 2025 £'000	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Total Funds 2024 £'000
Tangible fixed assets	35,813	8,839	44,652	35,155	6,543	41,698
Investment Properties	2,494	0	2,494	2,000	0	2,000
Current assets	37,320	15,313	52,633	50,414	8,774	59,188
Creditors due within one year	(13,881)	(8,869)	(22,750)	(28,439)	649	(27,790)
Creditors due in more than one year	(11,063)	(320)	(11,383)	(6,535)	(3,258)	(9,793)
Pension liability	0	0	0	47	0	47
Provisions for liabilities and charges	(671)	(414)	(1,085)	(958)	0	(958)
Total	**50,012**	**14,549**	**64,561**	**51,684**	**12,708**	**64,392**

Note 24 Analysis of Net Assets between Funds

WAYTHROUGH COMPANY

	Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	Total Funds 2024 £'000	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Total Funds 2024 £'000
Tangible fixed assets	32,352	8,839	41,192	32,007	6,543	38,550
Fixed asset investments	2,494	0	2,494	2,000	0	2,000
Current assets	37,172	8,520	45,692	49,681	2,517	52,198
Creditors due within one year	(12,022)	(8,868)	(20,891)	(26,289)	649	(25,639)
Creditors due in more than one year	(11,062)	(320)	(11,382)	(6,535)	(3,258)	(9,793)
Pension liability	0	0	0	47	0	47
Provisions for liabilities and charges	(671)	(414)	(1,085)	(958)	0	(958)
Total	**48,263**	**7,757**	**56,020**	**49,953**	**6,451**	**56,404**

Note 25: Accommodation in Management - Company & Group

	2025		2024	
	Owned	Managed	Owned	Managed
	No.	No.	No.	No.
Social Housing				
Supported Housing	328	455	301	524
Residential Care Homes	67	27	66	27
Total Social Housing	**395**	**482**	**367**	**551**
Non-Social Housing				
Nursing & Crisis Homes	17	79	21	79
Market Rent	8	-	8	-
Total Units in Management	**420**	**561**	**396**	**630**

Note 26: Financial Instruments

	2025 Group fees £'000	2024 Group £'000	2025 Company £'000	2024 Company £'000
As at the year end, the Group's financial instruments were as follows				
Financial assets held at fair value	5,788	6,038	5,788	6,038
Included in the Statement of Income and Expenditure are the following amounts				
Interest income on financial assets held at amortised cost	676	962	676	715
Interest expense on financial liabilities held at cost	(90)	(79)	(90)	(79)
Income from assets held at fair value through profit and loss	1,019	1,325	1,019	1,081
Change in value of assets held at fair value through profit and loss	(250)	865	(250)	865

Note 27: Analysis of changes in Net debt

	At 1 April 2024	Cash flows	Other non-cash changes	At 1 March 2025
	£'000	£'000	£'000	£'000
Cash at bank and in hand	29,801	(8,007)	-	21,794
Borrowings excluding overdrafts	(291)	291	-	-
	29,510	**(7,716)**	**-**	**21,794**

Note 28: Pension Commitments

NHS Pension Scheme

The Group is an admitted body to the NHS Pension Scheme. The Group's contribution in 2024 was £6k (2024: £17k) and the total number of employees participating in the scheme at the end of the year was 2 (2024: 7). The Group has no on-going employer's liability in respect of this scheme other than to fulfil annual contribution obligations for members whilst they are employed by the Group. This scheme is accounted for as a defined contribution scheme as the scheme actuary is unable to provide any details of the notional assets and liabilities attributable to the Group. More details regarding the scheme are available from the NHS Pensions website.

South Yorkshire LGPS

The Group participates in the South Yorkshire Local Government Pension Scheme on a pass-through basis. As the Group bears no responsibility for the underlying actuarial risks of the scheme, pension contributions are accounted for as if the scheme were a defined contribution arrangement.

2Care Pension & Life Assurance Scheme

Waythrough operates a defined benefit scheme, the 2Care Pension & Life Assurance Scheme. The assets of the fund are held in a separate trustee administered fund. Contributions to the scheme are assessed with the advice of a qualified actuary based on valuations using the projected unit method. Future employer contributions to the scheme have been agreed as being 27% (2024 – 26.95%) of pensionable salaries plus life assurance costs. Future employee contributions have been agreed as 8.45% (2024 – 8.45%) of pensionable salaries. The fund is now closed to new entrants and as a closed scheme it is likely that the future contribution rates will increase.

The performance and results of the as at 31 March 2025 were prepared by the Scheme's appointed actuary. Adjustments to the valuation at that date have been made based on the following assumptions:

	2025 % per annum	2024 % per annum
Inflation	3.15	3.10
Salary increases	3.15	3.10
Rate of discount	5.90	5.10
Pension in payment increases - pre 97 accrual	0.00	3.60
Pension in payment increases - post 97 accrual	0.00	3.00
Revaluation rate for deferred pensioners – RPI	2.75	3.10
Revaluation rate for deferred pensioners – CPI	3.15	2.70
Expected return on assets	0.00	4.80
Mortality assumptions:	**Years**	**Years**
Longevity at age 65 for current pensioners		
Men	21.3	20.9
Women	23.8	22.9
Longevity at age 65 for future pensioners		
Men	22.6	22.3
Women	25.2	24.4

Reconciliation of scheme assets and liabilities:

	Assets £000	Liabilities £000	Total £000
At 31 March 2023	**6,502**	**(5,375)**	**1,127**
Benefits paid	(70)	70	-
Employer contributions	13	-	13
Employees Contributions	4	(4)	-
Current service cost	-	(11)	(11)
Interest income / (expense)	-	(257)	(257)
Actuarial losses:			

Return on plan assets excluding interest income	311	-	311
Actuarial gains / (losses)	130	426	556
At April 2024	**6,890**	**(5,151)**	**1,739**
Benefits paid	(202)	202	-
Employer contributions	9	-	9
Employees' contributions	3	-	3
Current service cost	-	-	-
*Past service cost		187	187
Interest income / (expense)	347	(258)	89
Actuarial losses:			
Actuarial gains/(losses): Change of basis	-	382	382
Actuarial gains/(losses): Experience	-	119	119
Actuarial gains / (losses)	(544)	-	(544)
At 31 March 2025	**6,503**	**(4,519)**	**1,984**
Effect of asset ceiling			(1,984)
Net assets at 31 March 2025			**0**

The unrecognised surplus as at 31 March 2025 was £1,984k (2024; £1,692)

Amounts recognised in income and expenditure are as follows:

	2025 £000	2024 £000
Current service costs	-	11
Financial income	-	(3)
Total	**(0)**	**8**

Amounts recognised in other comprehensive income are as follows:

	2025 £000	2024 £000
Return on plan assets excluding interest	(544)	130
Actuarial Gains/(Losses) on defined benefit obligation	501	426
Effects of changes in the amounts of the surplus that is not recoverable	(16)	(576)
Total	**(59)**	**(20)**

Plan assets are invested as follows:

	2025 £000	2024 £000
Equities	-	-
Diversified Growth Funds	2,072	1,967
Liability Driven Investment	4,437	4,820
Cash	(6)	103
Total	**6,503**	**6,890**

Note 29: Operating Lease Commitments

	2025 Group £'000	2024 Group £'000	2025 Company £'000	2024 Company £'000
Not later than 1 year	1,891	2,341	1,773	2,329
Later than 1 year and not later than 5 years	3,627	4,487	3,336	4,487
Later than 5 years	975	822	721	821
	6,493	**7,650**	**5,830**	**7,637**

Note 30: Related Party Transactions

	2025 £'000	2024 £'000
To: More Time (UK) Limited	17	123
From: More Time (UK) Limited	855	680
To: Waythrough Support Services Limited	33,638	12,783
From: Waythrough Support Services Limited	-	-
To : Aquarius Action Projects	340	325
From : Aquarius Action Projects	(55)	(52)
	34,795	**13,859**

Note 31: Reconciliation of net movement in funds to net cash flow from operating activities

WAYTHROUGH GROUP

	Group 2025 £'000	Group 2024 £'000
Net movement in funds for the year (as per Statement of Financial Activities)	169	5,597
Adjustments for:		
Depreciation charges	3,444	2,158
Fair value gains on Investment Properties	494	0
Change in market value of investments	(249)	(865)
(Loss)/profit on sale of tangible assets	(348)	363
Investment income	(212)	(296)
Interest received	(1,038)	(954)
Movement in stocks	36	(20)
Movement in debtors	(1,663)	(2,321)
Movement in creditors	(3,452)	1,113
(Decrease)/increase in provisions	(126)	170
Movement on pension scheme liability	(12)	(15)
Net cash provided by operating activities	**(2,958)**	**4,930**

Note 32: Prior Year adjustment

As part of the transition to Waythrough and the review of accounting policies under FRS 102, the trustees reassessed the recognition of income previously included within deferred income. FRS 102 and the Charities SORP require income from grants, contracts, and donations to be recognised in the Statement of Financial Activities when the charity is entitled to the income, the amount can be measured reliably, and it is probable that the economic benefit will flow to the charity. Deferred income should only be recognised where conditions exist that limit the charity's entitlement, such as performance-related conditions that have not yet been met.

On review, £4.41m of balances previously classified as deferred income did not meet the criteria for deferral under FRS 102, as the charity was entitled to the funding with no outstanding performance conditions. These amounts should have been recognised as income in the relevant prior period.

Accordingly, the brought-forward reserves at 1 April 2024 have been restated to reflect the release of £4.41m from deferred income into restricted and unrestricted reserves. This represents a prior year adjustment in accordance with FRS 102 section 10, *Accounting policies, estimates and errors*. The comparative figures have been restated in Financial Statements, and the effect is disclosed in notes 3, 17 & 18.

We're specialists in mental health, alcohol, drugs and related areas.

Our high quality, evidence-based services are designed around the needs of the people we serve.

To find out more, please scan this QR code

www.waythrough.org.uk

Waythrough Is a company registered in England and Wales. Registered office: Inspiration House, Unit 22, Bowburn North Industrial Estate, Durham DH6 5PF
Registered Company 182 0492 | Registered Charity 515755 | CQC registered provider 1-126775024. Social housing registered provider 4713 | VAT 413 2088 32

Waythrough

Waythrough

England & Wales - Charity number 515755

Accounts

Registered number: 01820492
Charity number: 515755
Registered housing number: 4713

HUMANKIND CHARITY

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

HUMANKIND CHARITY
(A company limited by guarantee)

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HUMANKIND CHARITY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2024

Trustees

A Boyt
E Feltin, Vice Chair (Resigned 7 March 2024)
C L Gitsham, Vice Chair (Appointed 7 March 2024)
C G Matthews-Maxwell (Resigned 1 June 2024)
I MacQueen
S Shepherd
S Douglas
B Seth
J Walder
J E Bilbie (Resigned 14 September 2023)
K Bakshi (Appointed 1 June 2024)
I Ayling (Appointed 1 June 2024)
M Hopcroft (Appointed 1 June 2024)
S Moore (Appointed 1 June 2024)
P Najsarek (Appointed 1 June 2024)
D Oum (Appointed 1 June 2024)
C Regan, Chair (Appointed 1 June 2024)

Company Registered Number

01820492

Charity Registered Number

515755

Registered Housing Number

4713

Registered Office

Inspiration House
Unit 22
Bowburn North Industrial Estate
Bowburn
Durham
DH6 5PF

Company Secretary

C Horner (Resigned 13/06/2024)
A Whitley (Appointed 13/06/2024)

Chief Executive Officer

P Townsley

HUMANKIND CHARITY

(A company limited by guarantee)

Independent Auditors

RSM UK Audit LLP
Chartered Accountants
1 St. James' Gate
Newcastle uponTyne
United Kingdom
NE1 4AD

Bankers

Barclays Bank
49-51 Northumberland.Street
Newcastle upon Tyne
NE1 7AF

Solicitors

Womble Bond Dickinson LLP
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

HUMANKIND CHARITY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2023 to 31 March 2024. The Annual Report serves the purpose of a Trustees' Report, and a Directors' Report and a Strategic Report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Housing Statement of Recommended Practice (SORP) 2018 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); however, aspects of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) have been adopted to aid comparability with other registered charities'.

Structure, governance and management
Governing document
Humankind Charity (Humankind) is a charity, registered social landlord and company limited by guarantee – incorporated on 30 May 1984 and registered as a charity on 5 November 1984.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the Trustees are elected at the Annual General Meeting (AGM). Under the Articles, trustees are to be appointed for a three year term and may serve in office for a maximum of nine years (i.e., 3 terms).

The Trustees reviewed Humankind's Memorandum and Articles in the light of changes to Charity and Company law and made amendments in 2022. Key changes were in relation to the length of term in office.

Humankind is working in line with the charity governance code.

Recruitment, training and appointment of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Board protocol.

Humankind's governing body is a voluntary Board of Trustees, each of whom sits independently and does not represent any other agencies. The Trustees who held office during the 2023/24 financial year and at the time of writing this report are set out on page 1.

Members of the Board of Trustees meet quarterly and do not receive any remuneration. Where claimed, expenses are reimbursed. Travel expenses of £3,443 (2023 - £155) were reimbursed during this financial year.

A subcommittee structure is in operation, which allows for greater scrutiny of our finances (including other corporate functions), governance and innovation.

The sub-committees currently meet quarterly in advance of the Board Meeting and comprise of:
- Resources
- Housing
- Work & Skills
- Quality & Performance

Trustees are recruited using advertisements with potential trustees being invited to complete an application form. Humankind recruits Trustees who are able to offer a wide range of experience for the benefit of the group including business, finance, education and quality. A panel of Trustees, together with the chief executive, meet with applicants to discuss Humankind's aims and objectives, outline their responsibilities as Trustees and ensure that there are no conflicts of interest and to answer any questions that applicants may have.

Successful candidates are then invited to join the Board of Trustees as lay members for a period of induction between three and six months. During this time, they are required to visit a number of Humankind's projects,

Structure, governance and management (continued)

Recruitment, training and appointment of Trustees (continued)

view presentations and discuss key issues with other Board members and employees of the organisation.

Trustees undertake mandatory training annually, including Information Governance, Safeguarding and Equality Diversity and Inclusion. Regular skills audits and governance reviews also take place to ensure our trustee board has the requisite skills and attributes required to oversee our group and charity.

Once the induction process is complete applicants are invited to join the Board as Trustees. Trustee's training is an ongoing process via courses, presentations, events, visits and Away Days.

The Board of Trustees are responsible for the strategic direction and policies of the organisation and are actively involved in strategy development and business planning. The Trustees monitor compliance with the business plan through oversight of our key performance indicators as set out in the plan. The Trustees also review management accounts on a quarterly basis against financial projections which are produced at least twice yearly to reflect the activities in the business plan.

The Chair of Trustees provides supervision and support for the Chief Executive. Responsibility for the day to day running of the company lies with the Chief Executive along with the Executive Directors – the Executives meet regularly with the Operational Directors who are responsible for the operational delivery units which deliver Humankind services.

Pay policy for key management personnel

Key management personnel pay review is undertaken by the Board of Trustees, who assess and review competencies of those staff members. This review is undertaken on an annual basis and increments are applied following approval by the Board of Trustees. Humankind has a pay policy in place which is available for review by the whole workforce. Our approach to pay, and wider terms and conditions are reviewed annually as outlined in this policy.

Related party relationships

More Time (UK) Limited is a wholly owned subsidiary company which was established to carry on trading activities complementing the work of Humankind Charity. Further details are stated in Note 17 to the financial statements.

E D P Drug & Alcohol Services is a subsidiary undertaking of Humankind Charity. On 1 July 2023, the assets, liabilities and trade of E D P Drug & Alcohol Services were transferred to Humankind Charity for £nil consideration. E D P Drug & Alcohol Services is now a dormant entity and all of E D P Drug & Alcohol Services' activities are carried on in the charity.

During the year, Humankind Support Services Limited a wholly owned subsidiary company has started to trade to generate VAT savings within the group. This will allow the group to reinvest savings into the charity to better meet the people we serve.

Risk Management

The risk management strategy and risk registers are in place to review, evaluate and minimise any risks facing the organisation. The organisational risk register covers Finance, Operational, Governance and Environmental risks and is reviewed quarterly by the full board. Each Board Sub-committee, organisational region and department also has a risk register. Quality systems and audit checks are embedded in our service delivery and we comply with the various audit frameworks including Care Quality Commission (CQC), Ofsted, Investors in People, Matrix and Governance and Financial Standard of the Regulatory Framework.

The principal risks and uncertainties we face include: reduced viability of contracts and continuing cost pressures; the need for a skilled and committed workforce who feel motivated and part of Humankind; ever-changing and demanding inspection standards and demanding contract targets and outcomes. Management strategies include stringent vetting of bids and any potential liabilities they may bring; consulting with staff and implementing a strong induction program as well as reviewing our vision, mission and values with staff; employing an experienced Quality

Structure, governance and management (continued)

Risk Management (continued)

team to work with Directors and staff to embed, monitor and address contractual performance and quality standards. Our work going forward into 2024/25 will build on the strong foundations already laid.

Employees with disabilities

The organisation fully complies with the Equality Act 2010. We have achieved Level 2 Disability Confident Employer and display an Equality, Diversity and Inclusion statement of intent on our website. Humankind does not discriminate against employees because of mental or physical disability.

Humankind Charity will offer interview to all candidates who are deemed suitable for a role vacancy regardless of a person's disability status. If any reasonable adjustments are required to allow a person to attend an interview those will be made.

Should a person become disabled during their employment period, Humankind will work with the employee and our third-party occupational health provision, where appropriate, to see what reasonable adjustments can be made to allow continued employment.

Training is available to all employees of Humankind and any reasonable adjustments will be made to ensure that this is accessible to all.

Public benefit
From 1 April 2008, section 4 of the Charities Act 2011 required all charities to meet the legal requirement that their aims be for the public benefit. The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit.

The Charity Commission states that there are two principles to be met in order to show that an organisation's aims are for the public benefit; firstly, there must be an identifiable benefit or benefits and secondly that the benefit must be to the public, or a section of the public. The Trustees are satisfied that the aims and objectives of the charity, and the activities reported on above, meet these principles.

Plans for future periods

2023/24 has been a busy and productive period for Humankind both in terms of the delivery of the first year of the 'Being Human' strategy and substantial planning and preparation for our merge with Richmond Fellowship.

In November 2023 we announced the news of our merger, and preparation has continued with a robust work-stream and project management structure in place to manage the change. Our future plans are focused on 'merging well' to ensure the new organisation is best able to meet the needs of people the new organisation will support. Our aim is therefore a new joined up service offer spanning mental health, drug and alcohol, housing and supported areas, with a new and improved accompanying offer for the people who use our services and the workforce.

In June 2024 we completed the legal merger of the two charities. In October we aim to launch our new mission and identity. We will also introduce an eighteen-month bridging strategy which brings together the best of 'Being Human' and the Richmond Fellowship strategy to guide our new organisation until April 2026 when our full new strategy will be launched. The 'Coming Together' bridging strategy will focus on three things:

1. Delivering quality services that have the people we support at the centre of everything we do – focusing on ensuring our services are the very best they can be.
2. Developing local service provision to enable holistic place-based support so that more people get the support they need – focusing on local partnership and developing and sharing good practice across the new organisation.
3. Coming together to create our new foundations – focusing on 'merging well', developing a new strategy and greater awareness of our fresh mission and identity.

Structure, governance and management (continued)

Objectives and activities
Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Summary of Humankind's areas of work

Humankind designs and delivers services to meet people's complex health and social needs, helping them to build happier and healthier lives. We are a national charity with over 2,000 staff and 292 volunteers. Our specialist services work across the North East, Yorkshire and Humber, the North West, Staffordshire, London and the South. Whilst our main specialism is drug and alcohol support we also specialise in clinical, children, young people and families, health and wellbeing, employment, training and education, criminal justice and offender rehabilitation, gender specific, housing and housing support services.

Our vision is for people of all ages to be safe, building ambitions for the future and reaching towards their full potential. We support local people to create stronger, better-connected communities.

Health and Wellbeing services including drug and alcohol treatment

As part of that vision, and the commitment to supporting communities as well as individual people, we deliver a range of public health and wellbeing services. We are proud to have built up a recognised specialism in drug and alcohol treatment and recovery over many years. However, we understand the importance of intervening early and offering support across their lives so also deliver a range of associated health and wellbeing services including lifestyle and behavioural advice.

Our drug and alcohol treatment and recovery services reduce harm, support behaviour change, promote recovery and offer comprehensive wraparound support for adults and young people.

People who use our services can access brief interventions, harm reduction services and structured treatments for substance misuse issues. We use a range of psychosocial intervention methods and models. They include Motivational Interviewing, Cognitive Behaviour Therapy and Neuro-linguistic Programming, as well as Systemic Families Therapy models, all of which are used across our services.

This year we have increased our focus on partnerships with lived experience led organisations and offer all our service users routes into peer support and mutual aid.

We also provide mental health services including early intervention activity.

Housing and Independent Living

Our Housing and Independent Living services involve Humankind being a Registered Provider, offering housing and property management/services and also services which support vulnerable people to get the right tenancy for them, and to develop the skills to maintain that tenancy.

Young People and Families

Humankind offers support to vulnerable young people and young adults who have a range of different needs, and also to their carers and their wider family.

Criminal Justice

We deliver services to help those who are actively offending, or who have historically offended, to move towards a more positive lifestyle. This includes working in a number of prison establishments across the country.

Structure, governance and management (continued)

Objectives and activities (continued)

Work & Skills

Humankind offers specialist education and employment services. Our provision gives vulnerable people the valuable opportunity to identify and address the barriers to their employment, to work with employers and to create opportunities which lead to healthier, positive and more stable lives.

Our Impact

Examples of our impact in 2023/24 include:

Organisation-wide:

- Volunteers across our services gave a total of 40,598 hours; an average of 780 hours for each week of the year. The volunteer hours have not been included within the financial statements as a donation as this cannot be reliably measured for accounting purposes.
- A total of 4,227 responses were received from people who access our services, who provided the following feedback:
- People surveyed gave our services an average satisfaction score of 4.78 out of 5
- 99% of people said that they would recommend us to a friend

Work & Skills:
Our Steps for Success Service during 2023/24 achieved:

- 77 learners aged 16-18, and up to 24 (if they have an EHCP) have been enrolled on Humankind's Steps for Success Study Programme
- 40 adult learners have completed a programme to help them better manage their wellbeing
- 46 adult learners have completed a programme to help them develop life skills
- 40 learners had a short engagement session with IAG around Maths courses.
- 15 learners have completed a programme called Money Matters to help them better manage their money and make savings

Independent Living & Housing:

- In 2023/24 our independent living services supported 1,340 people
- 392 people (96%) receiving 'floating support' were successfully supported to obtain accommodation or to keep their existing tenancy when it was under threat
- 630 people were supported to leave our services in a supported, planned way and successfully achieved 92% of their desired outcomes
- 616 were supported to develop confidence and the ability to have greater choice or control
- 532 were supported to maximise their income including navigation of the Benefits system
- 381 were supported to better manage their mental health
- 373 were supported to better manage their physical health
- 62 were supported to comply with statutory orders and/or processes relating to offending behaviour.
- 137 were supported to better manage their overall debt
- 100 people leaving our supported accommodation services were successfully moved-on to more permanent housing
- 82 were supported to participate in training/education
- 49 were supported to obtain employment

Structure, governance and management (continued)

Objectives and activities (continued)

Drug and Alcohol Recovery:

- 8,030 adults exited our services in a positive, planned way having achieved abstinence or reduced their use – a 13% increase on 2022/23
- On average, 22 people successfully complete treatment from our services drug or alcohol free each day
- 5,130 Naloxone kits were given out to people accessing our Drug & Alcohol services
- 9,122 Hepatitis C tests have been carried out with people accessing our Drug & Alcohol Services

Strategic report

Achievements and performance

Financial review

Our focus this year has been to further strengthen and consolidate our financial position. We have monitored potential and actual costs closely to ensure that we continued to meet our charitable objectives as well as strengthening our position for the future. We have also been successful in attracting new business to the group which has also contributed to the positive result in the year.

The majority of our funding is still obtained by tendering for the delivery of our specialist services. Our funders include Local Authorities, CCG's, Skills Funding Agency, the Big Lottery, DWP and charitable grants and donations.

Total group income for the year was £101.4m, representing an increase in income of 26% on 2022/23.

The main source of income is substance misuse contracts which represents 83% of total income up from 77% last year. The increase is largely driven by income from new contracts with Bradford and Sheffield City councils. Substance misuse funding mainly comes from Local Authorities and the Office for Health Improvements & Disparities (OHID).

Group expenditure for the year was £100.9m, representing an increase of 27% on 2022/23.

The main area of expenditure is staff costs at £54.9m up from £48.5m in 2022/23. The increase is from a 5% increase for employees on the main Humankind terms and conditions in April 2023 and an increase in staff numbers due to the new contracts starting in Bradford and Sheffield.

The group had a surplus of £0.6m compared to a surplus of £1.3m in the prior year. This is due to an increase in the number of restricted contracts we run.

The fixed asset balance has increased significantly due to the mobilisation of the new contracts along with a buildings move for Forward Leeds which required a fit out for two new buildings. In addition to this, the increase in funding from OHID has meant we have been able to purchase Fibro Scanners for several drug and alcohol contracts and increase the number of pool cars available to operations teams.

Trade debtors have increased by 19%, which is below the increase in income of 26% due to improved credit control reducing the level of trade debtors in the year.

Creditors have increased by £5.1m (28%) on last year due to multiple factors. Trade creditors are £2.1m higher than last year largely due to the timing of the year end payment run and increase in activity. Other taxes and social security credit is much higher as the creation of Humankind Support Services Limited means that the group has a much higher VAT bill. The remaining creditors are broadly in line with expectations.

Total group funds carried forward of £16.3m comprise group unrestricted funds totalling £16.1m and restricted funds totalling £0.2m.

Restricted funds relate to unspent elements of funds received for restricted purposes.

In the year, Humankind purchased services from More Time (UK) Limited to the value of £0.7m, relating to premises cleaning work. This represents 95% of More Time (UK)'s income for the year. More Time (UK) has made a surplus of £0.1m in the year.

Strategic report (continued)

Financial review (continued)

During the year management charges and other recharges of £25k were charged to E D P Drug and Alcohol Services. E D P Drug and Alcohol Services made a surplus of £97k. On 1 July 2023 all trade and assets of this company were transferred into Humankind Charity.

During the year Humankind Support Services Limited commenced trading. The entity provides health and social services utilising the services of Humankind Charity.

During the year turnover amounted to £12.8m. Costs in connection with the provision of services are incurred by Humankind Charity and recharged.

Costs recharged during the year were equal to the turnover recognised resulting in a breakeven position being recorded in Humankind Support Services Limited.

We have continued to exercise tight financial controls over cash flow and to retain a high level of liquidity that is adequate for us to service our existing commitments and to invest in our growth areas.

Reserves policy

Following the review of our reserves policy, we believe that the target level set continues to be sufficient for the needs of our organisation. Our reserves policy is set at an equivalent to one month of total resources expended.

Such a level of reserves would provide a buffer to enable the organisation to make provisions for the loss of a major service whilst maintaining effective management and administration of the charity. These reserves also provide working capital to enable development of service provision.

Based on the above, target reserves would have needed to have been £8.5m. The actual free reserves balance of £8.5m meets our target. We continue to review the requirements for setting an appropriate reserves policy, to ensure we are able to continue to meet our group aspirations in the future.

Following the merger with Richmond Fellowship the reserves policy, along with other policies, are under review.

Investment policy

Humankind strives to produce the best financial return with a minimal level or risk and will not invest funding in financial instruments that may result in a loss of capital.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Group and Charity have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Strategic report (continued)

Engagement with employees and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Group carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Charity has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Charity's equal opportunities policy, the Charity has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Charity's offices.

Strategic report (continued)
Greenhouse gas emissions, energy consumption and energy efficiency action

UK Greenhouse gas emissions and energy use data for the period 1 April 2023 to 31 March 2024.

Greenhouse gas emissions by year (tonnes CO_2e)

Emissions Source	2022/23	2023/24	Share (%)	Annual Change (%)
Fuel combustion: Natural gas	394	406	35%	3%
Purchased electricity	314	364	32%	16%
Fuel combustion: Transport	284	381	33%	34%
Total emissions (tCO_2e)	**992**	**1,151**	**100%**	**16%**
Revenue (£m)	81	101		25%
Intensity: (tCO_2e per £m)	**12.23**	**11.39**		**-8%**

Greenhouse gas emissions by scope (tonnes CO_2e)

Emissions Source	2022/23	2023/24	Share (%)	Annual Change (%)
Scope 1: Natural gas and company-operated transport	406	440	38%	8%
Scope 2: Electricity	288	335	29%	16%
Scope 3: Losses from electricity distribution and transmission and privately owned vehicles	298	376	33%	26%
Total emissions (tCO_2e)	**992**	**1,151**	**100%**	**16%**

Energy consumption by year (kWh)

Emissions Source	2022/23	2023/24	Share (%)	Annual Change (%)
Natural gas	2,157,024	2,216,716	41%	3%
Electricity	1,487,706	1,618,124	30%	9%
Transport fuel	1,148,204	1,576,934	29%	37%
Total consumption (kWh)	**4,792,934**	**5,411,774**	**100%**	**13%**

This information was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, 2019.

An 'operational control' approach has been used to define the Greenhouse Gas emissions boundary. This approach captures emissions associated with the operation of all buildings such as warehouses, offices and manufacturing sites, plus company-owned and leased transport. This report covers UK operations only, as required by SECR for Non-Quoted Large Companies.

The GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2023 have been used calculate the SECR disclosures. The reporting period is April 2023 to March 2024, in accordance with the financial reporting period.

During 2023-24, Humankind has continued to replace less energy efficient lighting with LED lighting in office refurbishments and as part of ongoing maintenance wherever practically possible. Humankind continues to support hybrid working in many posts which reduced energy consumption in Humankind premises though

Strategic report (continued)
Greenhouse gas emissions, energy consumption and energy efficiency action (continued)

reduced heating, lighting, and reduced use of electrical equipment. All staff have access to software for holding online meetings and this is encouraged to reduce business travel. Staff are also encouraged to consider travel by rail for longer distances to reduce the use of private cars. To further reduce the use of private cars some services have purchased small economical pool cars to use rather than private vehicles.

Humankind's greenhouse gas emissions, reportable under SECR in 2023-24 were 1,151 tonnes CO2e. These include the emissions associated with electricity consumption, natural gas consumption and business travel in company and private vehicles by employees. Humankind's greenhouse gas emissions were 16% higher than in 2022/23.

In accordance with the legislation an intensity ratio has been calculated. This expresses the business' annual emissions in relation to a quantifiable factor or normaliser. The intensity ratio calculated for Humankind is 11.39 tonnes CO2e per £m revenue which is 8% lower than last year.

Value for money statement
Humankind is committed to delivering Value for Money (VfM) as an integral part of its business strategy.

The aims and objectives of VfM will be incorporated within each Service Delivery Units (SDU) Business Plans and will be imbedded across all areas of service delivery.

It is our aim to continually assess opportunities to enhance our services and actively involve our employees, service users and partners to achieve value for money.

We will continually seek value by sourcing the best materials at the best price. We will always look to make our services work more efficiently and effectively.

To meet our commitment to achieving VfM, Humankind has set itself the following objectives:

- Integrate VfM principles throughout the organization
- Incorporate VfM within everything we do
- Avoid duplication and simplify processes
- Identify ineffective processes and implement appropriate changes
- Adopt recognised good practices to identify VfM opportunities and procedures
- Seek innovative methods to achieve VfM both in value and savings
- Respond to opportunities that enhance our VfM objectives
- Ensure all staff recognise how their actions impacts on VfM
- Promote VfM across our services, with service users, partners and Boards
- Build strong partnerships with suppliers and contractors
- Seek continuous improvement to achieve efficiency

Value for Money Metrics as at 31 March 2024

		2024	2023
Metric 1	Reinvestment %	29.0%	9.4%
Metric 2A	New supply delivered % (social housing units)	3.5%	2.8%
Metric 2B	New supply delivered % (non-social housing units)	N/A%	N/A%
Metric 3	Gearing %	-0.4%	-%
Metric 4	EBITDA MRI interest cover %	6,994%	7,494%
Metric 5	Headline social housing cost per unit	£12,031	£9,563
Metric 6A	Operating margin % (social housing lettings only)	3.0%	18.4%
Metric 6B	Operating margin % (overall)	0.7%	1.8%
Metric 7	Return on capital employed	3.67%	7.16%

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Strategic report, Annual report and the financial statements in accordance with applicable law and regulations.

Company law and social housing regulation requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions. They must also disclose, with reasonable accuracy and at any time, the financial position of the group, to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the group, and as such, taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that the Trustees' report is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

Financial statements are published on the group's website in accordance with the legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Group has made qualifying third party indemnity provisions for the benefit of its Trustees during the year. These provisions remain in force at the reporting date.

Disclosure of information

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that;

- So far as the Trustee is aware, there is no relevant audit information of which the charities auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the group's auditors are aware of that information

Approved by order of the members of the board of Trustees on 24 September 2024 and signed on their behalf by

Caroline L Gitsham

C L Gitsham
(Vice Chair of Trustees)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUMANKIND CHARITY

Opinion

We have audited the financial statements of Humankind Charity (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows 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 company's affairs as at 31 March 2024 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 the parent 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 Strategic Report and the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

Respective responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the Trustees (who are also the directors of the 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 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 the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 frameworks that the group and parent company operate in and how the group and parent 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, the Companies Act 2006, Charities Act 2011, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are Health and Safety at Work Act 1974,Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards) and Care Quality Commission Standards. 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 licensing or 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 substantive tests of detail to ensure that revenue was appropriately recognised in the year.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council’s website at: https://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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lucy Robson

LUCY ROBSON (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle Upon Tyne
NE1 4AD

Date 26/09/24

HUMANKIND CHARITY

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	3	75,869	6,875	82,744	65,107
Charitable activities	4	57,276,634	43,746,972	101,023,606	80,191,936
Other trading activities	5	45,852	-	45,852	147,406
Investments	6	296,300	-	296,300	124,188
Total income		57,694,655	43,753,847	101,448,502	80,528,637
Expenditure on:					
Raising funds	7	665,767	-	665,767	471,894
Charitable activities	8	56,091,586	44,155,370	100,246,956	78,878,970
Total expenditure		56,757,353	44,155,370	100,912,723	79,350,864
Fair value gain/(losses) on investments	17	15,264	-	15,264	(12,592)
Net income/(expenditure)		952,566	(401,523)	551,043	1,165,181
Transfers between funds	24	(357,575)	357,575	-	-
Other recognised gains/(losses):					
Actuarial gains on defined benefit pension schemes	28	23,000	-	23,000	117,000
Net movement in funds		617,991	(43,948)	574,043	1,282,181
Reconciliation of funds:					
Total funds brought forward		15,485,582	261,110	15,746,692	14,464,511
Total funds carried forward		16,103,573	217,162	16,320,735	15,746,692

HUMANKIND CHARITY

REGISTERED NUMBER: 01820492

(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2024

	Note	£	2024 £	£	2023 £
Fixed assets					
Intangible assets	15		-		-
Tangible assets	16		14,141,333		10,339,084
Investments	17		2,002,672		1,987,408
			16,144,005		12,326,492
Current assets					
Stocks	18	102,302		111,139	
Debtors	19	17,153,987		14,550,036	
Cash at bank and in hand		10,408,637		10,741,463	
		27,664,926		25,402,638	
Creditors: amounts falling due within one year	20	(23,588,633)		(18,462,524)	
Net current assets			4,076,293		6,940,114
Total assets less current liabilities			20,220,298		19,266,606
Creditors: amounts falling due after more than one year	21		(3,258,078)		(2,708,277)
Provisions for liabilities	23		(641,485)		(788,637)
Net assets excluding pension liability			16,320,735		15,769,692
Defined benefit pension scheme liability	28		-		(23,000)
Total net assets			16,320,735		15,746,692
Group funds					
Restricted funds	24		217,162		261,110
Unrestricted funds					
Unrestricted funds excluding pension asset	24	16,103,573		15,508,582	
Pension reserve	24	-		(23,000)	
Total unrestricted funds	24		16,103,573		15,485,582
Total funds			16,320,735		15,746,692

CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2024

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 24 September 2024 and signed on their behalf by

Caroline L Gitsham

C L Gitsham
(Vice Chair of Trustees)

HUMANKIND CHARITY

REGISTERED NUMBER: 01820492

(A company limited by guarantee)

COMPANY BALANCE SHEET AS AT 31 MARCH 2024

	Note	£	2024 £	£	2023 £
Fixed assets					
Intangible assets	15		-		-
Tangible assets	16		14,141,333		10,294,579
Investments	17		2,002,674		3,020,239
			16,144,007		13,314,818
Current assets					
Stocks	18	98,981		106,082	
Debtors	19	16,497,249		14,435,841	
Cash at bank and in hand		10,286,567		6,979,662	
		26,882,797		21,521,585	
Creditors: amounts falling due within one year	20	(22,777,235)		(17,394,701)	
Net current assets			4,105,562		4,126,884
Total assets less current liabilities			20,249,569		17,441,702
Creditors: amounts falling due after more than one year	21		(3,258,078)		(2,708,277)
Provisions for liabilities	23		(641,485)		(551,015)
Net assets excluding pension liability			16,350,006		14,182,410
Defined benefit pension scheme liability	28		-		(23,000)
Total net assets			16,350,006		14,159,410
Charity funds					
Restricted funds	24		211,926		255,943
Unrestricted funds					
Unrestricted funds excluding pension liability	24	16,138,080		13,926,467	
Pension reserve	24	-		(23,000)	
Total unrestricted funds	24		16,138,080		13,903,467
Total funds			16,350,006		14,159,410

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

As permitted by s408 of the Companies Act 2006, the company has not presented its own statement of financial activity and related notes as it prepares group accounts. The company's net expenditure after investment gains and net movement in funds for the period was £2,190,596 (2023: £702,394) of which £2,234,613 (2023: £791,221) was unrestricted and £44,017 deficit (2023: £88,827 deficit) was restricted.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 24 September 2024 and signed on their behalf by:

Caroline L Gitsham

C L Gitsham
(Vice Chair of Trustees)

HUMANKIND CHARITY

REGISTERED NUMBER: 01820492

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Share capital	Accumulated restricted funds	Accumulated unrestricted funds	Total equity
	£	£	£	£
Balance at 1 April 2022	-	295,947	14,168,564	14,464,511
Year ended 31 March 2023:				
Net movement in funds	-	(34,837)	1,317,018	1,282,181
Balance at 31 March 2023	-	261,110	15,485,582	15,746,692
Year ended 31 March 2024:				
Net movement in funds	-	(43,948)	617,991	574,043
Balance at 31 March 2024	-	217,162	16,103,573	16,320,735

HUMANKIND CHARITY

REGISTERED NUMBER: 01820492

(A company limited by guarantee)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Share capital	Accumulated restricted funds	Accumulated unrestricted funds	Total equity
	£	£	£	£
Balance at 1 April 2022	-	258,650	13,198,366	13,198,366
Year ended 31 March 2023:				
Net movement in funds	-	(88,827)	791,221	702,394
Balance at 31 March 2023	-	255,943	13,903,467	14,159,410
Year ended 31 March 2024:				
Net movement in funds	-	(44,017)	2,234,613	2,190,596
Balance at 31 March 2024	-	211,926	16,138,080	16,350,006

HUMANKIND CHARITY
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash from operating activities	26	4,892,164	3,760,945
Cash flows from investing activities			
Investment income		296,300	124,188
Purchase of tangible fixed assets		(5,521,290)	(1,942,461)
Proceeds on disposal of tangible assets		-	40,617
Purchase of listed investments		-	(2,149,028)
Proceeds from sale of investments		-	149,028
Net cash used in investing activities		(5,224,990)	(3,777,656)
Cash flows from financing activities			
Repayments of other borrowings		-	(223,508)
Net cash from/(used in) financing activities		-	(223,508)
Changes in cash and cash equivalents in the year		(332,826)	(240,219)
Cash and cash equivalents at the beginning of the year		10,741,463	10,981,682
Cash and cash equivalents at the end of the year		10,408,637	10,741,463

The notes on pages 27 to 64 form part of these financial statements

HUMANKIND CHARITY
(A company limited by guarantee)

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

1. Accounting policies

1.1 General information

Humankind Charity (the "Company") is a company limited by guarantee and is registered and incorporated in England and Wales. The registered office is Inspiration House, Unit 22, Bowburn North Industrial Estate, Bowburn, Durham, DH6 5PF. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The groups objectives are included in the trustees report.

1.2 Basis of preparation of financial statements

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and they comply with the Accounting Direction for Private Registered Providers of Social Housing 2022, and under the historical cost convention.

The financial statements have been prepared in accordance with Housing SORP 2018; however, aspects of the Charities SORP (FRS102) have been adopted to aid comparability with other registered charities'. These include:

- The Consolidated Statement of Financial Activities in place of the Consolidated Statement of Comprehensive Income.
- Income and expenditure notes to include reference to unrestricted and restricted expenditure
- Statement of funds
- Analysis of net assets between funds

Humankind Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

Reduced disclosure
The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – presentation of a statements of cash flow and related notes and disclosures;

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

1. Accounting policies (continued)

1.3 Basis of consolidation

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

All financial statements are made up to 31 March 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The transfer of the trade and assets of E D P Drug & Alcohol Services on 1 July 2023 met the definition a group reconstruction. For such a trade and assets purchase, the acquired assets and liabilities are recognised at their book values, as reported in the selling company immediately before the acquisition- no adjustments are made to reflect fair values at the acquisition date, or to recognise any new identifiable assets or liabilities, at the date of the acquisition, that would otherwise be recognised under the acquisition accounting method. No goodwill is recognised. The only adjustments that are made are to align accounting policies. In accordance with generally accepted accounting practice under FRS 102, for the application of merger accounting principles to a trade and assets acquisition, the results of the acquired business are accounted for prospectively from the date of the acquisition.

1.4 Going concern

At time of approving the financial statements, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group continues to meet all its objectives under current contracts and there have been no indicators of any claw backs.

The financial statements have been prepared on a going concern basis as the Trustees believe that there are no other material uncertainties.

1.5 Income

Voluntary income is received by way of donations and is included in full in the Statement of Financial Activities when received.

Income from charitable activities includes income recognised as earned where the related services are provided under contract or where entitlement to grant funding is subject to specific performance conditions. Grant income included in funding is subject to specific performance conditions. Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Grants, where entitlement is not conditional on the delivery of a specific performance by the group, are recognised when the group becomes unconditionally entitled to the grant.

Income from other trading activities is revenue from contracts for the provision of professional services and is recognised at the fair value of the consideration received or receivable for the provision of services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

The company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

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

1. Accounting policies (continued)

1.5 Income (continued)

Investment income is recognised on a receivable basis. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Property rental income represents all rental and service charge receivable when it falls due and amortised capital grant.

1.6 Expenditure

Expenditure is recognised on an actual basis when a liability is incurred. Expenditure is net of recoverable VAT where conditions for recovery are met. All other expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprises the support costs from central functions associated with attracting voluntary income.

Charitable group expenditure comprises those costs incurred by the group in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable group activities. Governance costs are those incurred in connection with administration of the charitable group and compliance with constitutional and statutory requirements.

Support costs are those functions that assist the work of the group but do not directly undertake charitable activities. Support costs include governance, finance, information technology, human resources and quality. These costs have been allocated to expenditure on charitable activities.

Charitable activities and governance costs are costs incurred on the charitable group's operations, including support costs and costs relating to the governance of the group apportioned to charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.7 Taxation

Humankind Charity and E D P Drug & Alcohol Services are registered charities and as such are exempt from tax on income and gains falling within Chapter 3 Part II Corporation Tax Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable object. The Group’s trading subsidiaries is liable to corporation tax on their trading profits.

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

1. Accounting policies (continued)

1.8 Intangible assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, which is 5 years.

1.9 Tangible fixed assets and depreciation

Social housing properties for letting

Housing properties are properties for the provision of social housing and are principally properties available for rent and shared ownership. Completed housing and shared ownership properties are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, and expenditure incurred during the development period.

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

Freehold housing properties are depreciated by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

Component	
Structure	75 years
Roof	45 years
Kitchen	20 years
Bathroom	30 years
Heating system	30 years
Windows	30 years
Electrical	30 years
Doors	20 years
Boiler	15 years

Freehold land is not depreciated.

Other tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

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

1. Accounting policies (continued)

1.9 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% - 50% on cost
Long term leasehold property	- in line with lease agreement
Motor vehicles	- 20% - 33.3% on cost
Fixtures and fittings	- 20% - 50% on cost
Computer equipment	- 20% - 33.3% on cost

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Social housing grant
Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised over the estimated useful life of the asset structure, under the accruals model.

On disposal of properties which have been wholly or partly funded by Social Housing Grant, the grant is recycled as required by the Homes and Communities Agency and will be utilised against future approved projects.

Recycling of capital grants

Where Social Housing Grant is recycled, as described above, the Social Housing Grant is credited to a fund which is shown as a creditor until used to fund the acquisition of new properties.

Impairments

Tangible fixed assets are assessed at each year end to assess whether or not there is any evidence that an asset may be impaired. If there is evidence of impairment, an impairment loss is recognised in the Statement of Financial Activities immediately.

Major Repairs

Major repairs are capitalised to the extent that they relate to the replacement or restoration of a separately identified property component or where the expenditure results in the enhancement of the economic benefits of the assets such as an increase in rental income, a reduction in future maintenance costs or a significant extension to its useful economic life. In any other circumstances repairs are charged to the Statement of Financial Activities as incurred.

1. Accounting policies (continued)

1.10 Fixed asset investments

Listed investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities. Transaction costs are expensed as incurred.

Investments in subsidiaries are stated at cost less provision for impairment.

1.11 Stocks

Stocks is valued at the lower of cost and net realisable value.

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Financial instruments

The group has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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

1. Accounting policies (continued)

1.14 Financial instruments (continued)

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

1.15 Operating leases

Rentals paid under operating leases, including any lease incentives received, are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

1.16 Pensions

The group operates a number of defined contribution pension schemes. The group has no liability under the scheme other than payment of those contributions to a separately administered fund. Costs are charged to the Statement of Financial Activities as incurred. The group also has two members of staff who are members of the West Yorkshire Pension Fund, a Local Government Pension Scheme (LGPS). This is a defined benefit scheme. The group has obtained an LGPS valuation as at 31 March 2023 and at the scheme exit date. See note 28 for further details.

The LGPS is a funded scheme multi-employer scheme. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised as other comprehensive income.

Actuarial gains and losses are recognised immediately as other comprehensive income.

The LGPS assets are managed by the scheme trustees at scheme level, and the determination / allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns and benefit payments made (either on a cash basis or actuarial basis).

The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic

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

1. Accounting policies (continued)

1.16 Pensions (continued)

benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

1.17 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised when employees accept the company's offer to those benefits. Termination benefits provided as a result of the termination are recognised when the company has communicated its plan of termination to the affected employees.

1.18 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Investment income, gains and losses are allocated to the appropriate fund.

1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2. Critical judgements and estimates

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charitable group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Defined benefit pension scheme
The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2023 has been used by the actuary in valuing the pensions liability at 31 March 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. In the current year the actuary has made assumptions in respect of CPI inflation and salary increases.

Useful economic lives of tangible assets
Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of the asset. An estimate of the useful life of the assets is detailed in the tangible fixed assets and depreciation accounting policy.

Dilapidations
The dilapidation provision is assessed on a lease-by-lease basis. Dilapidation costs are provided for at £15 per square foot unless otherwise specified in the lease. The provision accrues over the term of the lease, taking due account of any upcoming break clauses.

Residual value of social housing properties
It is considered that the estimate of residual value of social housing properties has a significant impact on the carrying amount of social housing assets. The Group consider the residual value of social housing property structure to be cost.

Critical areas of judgment:

Classification of housing property
It is the Group's opinion that while rental income is received from the provision of social housing, the primary purpose is to provide social benefits. The provision of social housing is therefore akin to supplying a service and so property held for this purpose has been accounted for as property, plant and equipment. This treatment is consistent with housing associations that have chosen the alternative option of applying the revised UK GAAP (FRS 102), which contains explicit provisions for this scenario and arrives at a similar conclusion; it is also consistent with guidance contained in the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018 (the SORP).

Definition of operating surplus/(deficit)
It is the Group's opinion that all items included in the particulars of income and expenditure from social housing, note 14b, are representative of activities that would normally be regarded as 'operating'.

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

3. Income from donations and legacies

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Donations	75,869	6,875	82,744	65,107
Total 2023	42,688	22,419	65,107	

4. Income from charitable activities

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Substance misuse	43,145,340	40,285,738	83,431,078	62,366,244
Criminal justice	4,567,409	384,139	4,951,548	4,982,148
Work and skills	1,261,197	1,251,447	2,512,644	4,168,255
Community services	1,870,463	1,193,060	3,063,523	2,513,632
Independent living services	2,604,133	476,082	3,080,215	2,799,510
Housing	3,405,994	26,430	3,432,424	2,994,189
Premises	194,951	-	194,951	194,951
Commercial property	30,040	-	30,040	52,812
Central support services	197,107	130,076	327,183	120,195
Total 2024	57,276,634	43,746,972	101,023,606	80,191,936
Total 2023	47,180,854	33,011,082	80,191,936	

5. Income from other trading activities

Income from non charitable trading activities (externally generated)

	Unrestricted Funds 2024 £	Total funds 2024 £	Total funds 2023 £
More Time (UK) Limited	45,852	45,852	147,406
	45,852	45,852	
Total 2023	147,406	147,406	

6. Investment income

	Unrestricted Funds 2024 £	Total funds 2024 £	Total funds 2023 £
Bank interest receivable	240,328	240,328	107,438
Income from listed investments	55,972	55,972	16,750
	296,300	296,300	124,188
Total 2023	124,188	124,188	

7. Expenditure on raising funds

	Unrestricted Funds 2024 £	Total funds 2024 £	Total funds 2023 £
More Time (UK) Limited:			
Staff costs	591,823	591,823	430,437
Audit fees	9,375	9,375	6,350
Other costs	64,569	64,569	35,107
	665,767	665,767	471,894
Total 2023	471,894	471,894	

8. Analysis of expenditure on charitable activities

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Substance misuse	41,544,638	40,318,886	81,863,524	61,129,600
Criminal justice	4,128,362	381,504	4,509,866	4,240,690
Work and skills	1,356,774	1,598,814	2,955,588	4,071,201
Community services	1,911,262	1,194,815	3,106,077	2,424,225
Independent living services	2,009,377	501,971	2,511,348	2,352,833
Housing	3,329,161	2,854	3,332,015	2,429,900
Premises	233,858	-	233,858	142,041
Commercial property	64,354	26,450	90,804	86,156
Central support services	1,513,800	130,076	1,643,876	2,002,324
Total 2024	56,091,586	44,155,370	100,246,956	78,878,970
Total 2023	45,724,512	33,154,458	78,878,970	

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

9. Support cost classification

	Support costs 2024 £	Governance costs 2024 £	Total 2024 £	Total 2023 £
Finance, legal and IT	2,594,894	-	2,594,894	2,768,467
HR and Training (L & D)	1,278,866	-	1,278,866	995,816
Business development and communications	2,497,423	-	2,497,423	1,538,515
Governance	-	1,653,927	1,653,927	1,520,347
	6,371,183	1,653,927	8,025,110	6,823,145

	Activities directly undertaken 2024 £	Support and governance costs 2024 £	Total Funds 2024 £	Total Funds 2023 £
Substance misuse	75,382,615	6,480,909	81,863,524	61,129,600
Criminal justice	4,143,127	366,739	4,509,866	4,240,690
Work and skills	2,715,242	240,346	2,955,588	4,071,201
Community services	2,853,493	252,584	3,106,077	2,424,225
Independent living services	2,249,086	262,262	2,511,348	2,352,833
Housing	3,061,058	270,957	3,332,015	2,429,900
Premises	214,841	19,017	233,858	142,041
Commercial property	83,420	7,384	90,804	86,156
Central support services	1,518,964	124,912	1,643,876	2,002,324
Total 2024	92,221,846	8,025,110	100,246,956	78,878,970
Total 2023	72,055,825	6,823,145	78,878,970	

Support and governance costs have been allocated to expenditure on charitable activities, in proportion to the value of activities directly undertaken.

10. Auditors' remuneration

	2024 £	2023 £
Audit services – statutory audit of parent and consolidated accounts	51,440	35,300
Other services:-		
Audit services – statutory audit of associates of the Company	20,375	6,350
Taxation compliance services	4,000	1,350
All other non-audit services	13,850	5,000

11. Net movement in funds

Net movement in funds is stated after charging:

	2024 £	2023 £
Depreciation on housing assets	664,490	955,387
Depreciation on non-housing assets	755,734	-
Impairment	-	176,652
Loss/(profit) on disposal of fixed assets	298,817	(33,950)
Operating lease rentals – Land and buildings	2,219,789	2,051,901

12. Staff costs

	Company 2024 £	Company 2023 £	**Group 2024 £**	Group 2023 £
Wages and salaries	46,659,373	37,264,220	48,329,901	43,032,161
Social security costs	4,308,121	3,277,050	4,419,476	3,758,195
Redundancy payments	95,439	117,767	95,439	117,767
Contribution to defined contribution pension schemes	1,996,080	1,383,266	2,051,307	1,609,278
Operating costs of defined benefit pension schemes	-	17,000	-	17,000
	53,059,013	42,059,303	54,896,123	48,534,401

The average number of persons employed during the year was as follows:

	Company 2024 No	Company 2023 No	**Group 2024 No**	Group 2023 No
Charitable activities	**1,592**	1,188	**1,592**	1,405
Support activities	**161**	139	**161**	139
Generating funds	**-**	-	**78**	54
	1,753	1,327	**1,831**	1,598

12. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 No	2023 No
In the band £60,001 - £70,000	16	9
In the band £70,001 - £80,000	5	5
In the band £80,001 - £90,000	13	2
In the band £90,001 - £100,000	2	3
In the band £100,001 - £110,000	-	4
In the bank £110,001 - £120,000	4	-
In the band £120,001 - £130,000	3	-
In the band £130,001 - £140,000	-	1
In the band £170,001 - £180,000	1	-

Total employment benefits paid by the Group in the year in respect of the key management personnel, which is deemed to be made up of the trustees plus the CEO and Executive Directors, were £763,495 (2023: £986,929).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, expenses totalling £3,443 were reimbursed or paid directly to Trustees (2023 - £155).

14a. Social housing and social housing activities

	2024			2023		
	Turnover	**Operating Costs**	**Operating Surplus/(Deficit)**	Turnover	Operating Costs	Operating Surplus
	£	**£**	**£**	£	£	£
Social housing activities						
Income and expenditure from lettings	3,432,424	(3,332,015)	100,409	2,994,189	(2,429,900)	564,289
Other social housing activities						
Independent living services	3,091,172	(2,511,348)	579,824	2,799,510	(2,352,833)	446,677
Total	6,523,596	(5,843,363)	680,233	5,793,699	(4,782,733)	1,010,966

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

14b. Particulars of income and expenditure from social housing

	2024 £	2023 £
Income from social housing letting activities		
Rent receivable	1,275,908	1,182,081
Service charge income	2,342,228	2,095,284
Gross rent receivable	3,618,136	3,277,365
Rent losses from voids	(384,186)	(472,307)
Net rents receivable	3,233,950	2,805,058
Amortised government grants	162,867	114,225
Other income	35,607	74,906
Total income from social housing letting activities	3,432,424	2,994,189
Expenditure on social housing letting activities		
Management	488,141	446,663
Other costs	2,140,496	1,660,334
Maintenance	522,513	291,919
Depreciation	180,865	30,984
Total expenditure on social housing letting activities	3,332,015	2,429,900
Operating surplus on social housing letting activities	100,409	564,289
Accommodation in Management		
Supported housing - No. of units	283	286

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

15. Intangible assets

Group

	Goodwill £	Negative goodwill £	Total £
Cost			
At 1 April 2023 and 31 March 2024	42,000	(1,032,828)	(990,828)
Amortisation			
At 1 April 2023 and 31 March 2024	42,000	(1,032,828)	(990,828)
Net book value			
31 March 2023 and 31 March 2024	-	-	-

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

16. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Motor Vehicles £	Fixture and fittings £	Computer equipment £	Social housing properties held for letting £	Total £
Cost or valuation							
At 1 April 2023	2,383,668	3,857,379	148,357	2,341,606	689,330	5,793,775	15,214,115
Additions	-	1,861,815	154,001	1,526,865	60,355	1,918,254	5,521,290
Disposals	-	(1,007,686)	-	(406,691)	-	(173,079)	(1,587,456)
At 31 March 2024	2,383,668	4,711,508	302,358	3,461,780	749,685	7,538,950	19,147,949
Depreciation							
At 1 April 2023	559,927	2,360,075	128,195	796,100	66,357	964,377	4,875,031
Charge for the year	68,705	393,213	16,460	654,919	84,355	202,572	1,420,224
On disposals	-	(969,079)	-	(236,848)	-	(82,712)	(1,288,639)
At 31 March 2024	628,632	1,784,209	144,655	1,214,171	150,712	1,084,237	5,006,616
Net book value							
At 31 March 2024	1,755,036	2,927,299	157,703	2,247,609	598,973	6,454,713	14,141,333
At 31 March 2023	1,823,741	1,497,304	20,162	1,545,506	622,973	4,829,398	10,339,084

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

16. Tangible fixed assets (continued)

Company

	Freehold property £	Long-term leasehold property £	Motor Vehicles £	Fixture and fittings £	Computer equipment £	Social housing properties held for letting £	Total £
Cost or valuation							
At 1 April 2023	2,383,668	3,857,379	122,077	2,153,047	689,330	5,793,775	14,999,276
Additions	-	1,861,815	154,001	1,525,211	60,355	1,918,254	5,519,636
Transfer from subsidiary	-	-	-	37,899	-	-	37,899
Disposals	-	(1,007,686)	-	(406,691)	-	(173,079)	(1,587,456)
At 31 March 2024	2,383,668	4,711,508	276,078	3,309,466	749,685	7,538,950	18,969,355
Depreciation							
At 1 April 2023	559,927	2,360,075	101,915	652,046	66,357	964,377	4,704,697
Charge for the year	68,705	393,213	16,460	646,659	84,355	202,572	1,411,964
On disposals	-	(969,079)	-	(236,848)	-	(82,712)	(1,288,639)
At 31 March 2024	628,632	1,784,209	118,375	1,061,857	150,712	1,084,237	4,828,022
Net book value							
At 31 March 2024	1,755,036	2,927,299	157,703	2,247,609	598,973	6,454,713	14,141,333
At 31 March 2023	1,823,741	1,497,304	20,162	1,501,001	622,973	4,829,398	10,294,579

17. Fixed asset investments

	Group 2024	Group 2023	**Company 2024**	Company 2023
Unlisted investment	-	-	2	1,032,831
Listed investments				
Investments	2,002,672	1,987,408	2,002,672	1,987,408
	2,002,672	1,987,408	2,002,674	3,020,239

	Listed investments £
Group	
Cost or valuation	
At 1 April 2023	1,987,408
Change in market value	15,264
At 31 March 2024	2,002,672

	Investments in subsidiaries £	**Listed investments £**	**Total £**
Company			
Cost or valuation			
At 1 April 2023	1,032,831	1,987,408	3,020,239
Additions	-	-	-
Disposals	-	-	-
Transfer of net assets from subsidiary	(1,032,829)	-	(1,032,829)
Change in market value	-	15,264	15,264
At 31 March 2024	2	2,002,672	2,002,674

17. Fixed asset investments (continued)

Principal subsidiaries

The following were subsidiary undertakings of Humankind Charity:

	Company Number	Holding
More Time (UK) Limited	07738729	100%
The Sector Group Limited (dormant)	07738950	100%
Humankind Support Services Limited	14174303	100%
E D P Drug & Alcohol Services (dormant from 1 July 2023)	02145656	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) /Surplus/ (Deficit) for the year £	Net assets £
More Time (UK) Limited	759,062	(667,257)	**91,805**	(37,208)
E D P Drug & Alcohol Services (until 1 July 2023)	2,228,079	(4,869,398)	**(2,641,319)**	-
Humankind Support Services Limited	12,782,567	(12,782,567)	**-**	1
The Sector Group Limited (dormant)	-	-	**-**	1

The registered office for More Time (UK) Limited, The Sector Group Limited, E D P Drug & Alcohol Services and Humankind Support Services Limited is Inspiration House, Unit 22, Bowburn North Industrial Estate, Bowburn, Durham, DH6 5PF.

Acquisition of trade and assets

On 1 July 2023, the assets, liabilities and trade of E D P Drug & Alcohol Services were transferred to Humankind Charity for £nil consideration. E D P Drug & Alcohol Services is a subsidiary undertaking of Humankind Charity.

The company has accounted for the transfer using the merger accounting principles of FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), as applied to a trade and assets purchase. As a result, the transferred assets and liabilities were recognised at their book values, as reported in E D P Drug & Alcohol Services immediately before the transfer - no adjustments were made to reflect fair values at the transfer date, or to recognise any new identifiable assets or liabilities, at the date of the transfer, that would otherwise be recognised under the acquisition accounting method. No goodwill was recognised as a result of the transfer. The only adjustments were to align accounting policies. In accordance with generally accepted accounting practice under FRS 102, for the application of merger accounting principles to a trade and assets transfer, the results of the acquired business were accounted for prospectively from the date of the transfer.

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

17. Fixed asset investments (continued)

The following table sets out the carrying value of the identifiable assets and liabilities transferred on 1 July 2023:

	£
Tangible fixed assets	37,899
Debtors	964,961
Cash at bank and in hand	2,958,071
Creditors falling due within one year	(997,454)
Provisions for liabilities	(237,622)
Net assets	2,725,855

From the date of transfer to 31 March 2024, the transferred business contributed income of £6,786,812.

18. Stocks

	Group 2024 £	Group 2023 £	**Company 2024 £**	Company 2023 £
Materials and consumables	102,302	111,139	98,981	106,082

19. Debtors

	Group 2024 £	Group 2023 £	**Company 2024 £**	Company 2023 £
Amounts falling due within one year				
Trade debtors	13,759,258	11,516,368	9,217,526	11,246,290
Amounts owed by group undertakings	-	-	3,895,901	296,952
Other debtors	410,633	345,896	403,234	272,056
Prepayments and accrued income	2,984,096	2,687,772	2,980,588	2,620,543
	17,153,987	14,550,036	16,497,249	14,435,841

Included within debtors are bad debt provisions totaling £83,762 (2023: £48,330) in relation to trade debtors in the group and the company and £nil (2023: £107,805) in relation to amounts owed by group undertakings in the company.

20. Creditors: Amounts falling due within one year

	Group 2024 £	Group 2023 £	**Company 2024 £**	Company 2023 £
Trade creditors	3,409,919	1,279,316	3,409,300	1,174,757
Other taxation and social security	2,690,701	1,181,809	1,932,012	1,004,761
Other creditors	1,026,039	866,465	1,024,411	790,951
Accruals and deferred income	16,170,749	15,134,934	16,120,287	14,424,232
Other loans	291,225	-	291,225	-
	23,588,633	18,462,524	22,777,235	17,394,701

Within other creditors, in the group and company, are unspent capital grants received of £163,719 (2023 - £147,524). Other loans were a social impact bond liability repayable in full with interest on 1 October 2024. The interest rate is 10.5% pa.

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

20. Creditors: Amounts falling due within one year (continued)

	Group 2024 £	Group 2023 £	**Company 2024 £**	Company 2023 £
Deferred income at 1 April 2023	10,727,063	6,963,092	10,270,968	6,659,926
Resources deferred during the year	8,801,378	7,284,562	8,801,378	6,828,467
Amounts released from previous periods	(9,647,486)	(3,520,591)	(9,191,391)	(3,217,425)
	9,880,955	10,727,063	9,880,955	10,270,968

Deferred income comprises amounts received for use in future accounting periods.

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

	Group 2024 £	Group 2023 £	**Company 2024 £**	Company 2023 £
Other loans	-	268,125	-	268,125
Other creditors	3,258,078	2,440,152	3,258,078	2,440,152
	3,258,078	2,708,277	3,258,078	2,708,277

Other creditors, in the group and the company, include unspent capital grants of £3,258,078 (2023: £2,440,152). Capital grants of £956,349 (2023: £442,157) were received in the year and £152,167 (2023: £147,251) of grants were released. Other loans were a social impact bond liability repayable in full with interest on 1 October 2024. The interest rate is 10.5% pa.

22. Borrowings

	Group 2024 £	Group 2023 £	**Company 2024 £**	Company 2023 £
Other loans	291,225	268,125	291,225	268,125
Payable within one year	291,225	-	291,255	-
Payable after one year	-	268,125	-	268,125
	291,225	268,125	291,255	268,125

Other loans were a social impact bond liability repayable in full with interest on 1 October 2024. The interest rate is 10.5% pa.

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

23. Provisions for liabilities

Group

	Dilapidations £
Provisions at 1 April 2023	788,637
Additions	90,470
Released	(237,622)
Provisions at 31 March 2024	641,485

The dilapidations provisions is based on the future expected repair costs required to restore the leased buildings to their fair condition at the end of their respective lease terms.

Company

	Dilapidations £
Provisions at 1 April 2023	551,015
Additions	328,092
Released	(237,622)
Provisions at 31 March 2024	641,485

24. Statement of funds

Statement of funds - current year - Group

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds - Group						
Designated funds						
Fixed Asset Reserve	44,505	-	-	(44,505)	-	-
General funds						
Unrestricted funds	15,464,077	57,694,655	(56,757,353)	(313,070)	15,264	16,103,573
Pension reserve	(23,000)	-	-	-	23,000	-
	15,441,077	57,694,655	(56,757,353)	(313,070)	38,264	16,103,573
Total unrestricted funds	15,485,582	57,694,655	(56,757,353)	(357,575)	38,264	16,103,573

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

24. Statement of funds (continued)

Statement of funds - current year – Group (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Restricted funds						
Big lottery	73,808	-	(2)	-	-	73,806
Independent living	8,991	482,794	(501,971)	10,186	-	-
Drugs and alcohol	47,142	39,880,737	(39,913,792)	-	-	14,087
Health young people and families	64,541	-	-	-	-	64,541
Community services	38,451	1,193,061	(1,194,815)	-	-	36,697
Criminal Justice	7,488	384,140	(381,504)	-	-	10,124
Work and skills	-	1,251,445	(1,598,814)	347,369	-	-
Humankind housing	15,522	-	(2,854)	-	-	12,668
Central	-	130,076	(130,076)	-	-	-
Exeter City Council	-	26,430	(26,430)	20	-	20
Recovery fund	5,167	405,164	(405,112)	-	-	5,219
	261,110	43,753,847	(44,155,370)	357,575	-	217,162
Total of funds	15,746,692	101,448,502	(100,912,723)	-	38,264	16,320,735

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

24. Statement of funds (continued)

Unrestricted funds represent resources available for general work.

Restricted Funds:

Big Lottery
Aims to improve the lives and well being of people with entrenched multiple needs, who are currently the most disengaged and disconnected from services.

Independent living
Helping vulnerable people in the community who may be homeless, at risk of homelessness or at risk of losing their tenancy. Providing services which support vulnerable people to get the right tenancy for them, and to develop the skills to maintain that tenancy.

Drugs and alcohol
Supporting people to enter recovery oriented drug and alcohol service, choose abstinence, achieve recovery, reduce risk taking behavior and improve local communities. integrated substance misuses service that encourages, supports and empowers individuals to take responsibility and control of their lives.

Health, young people and families
Offering vocational training to young people whom may have left school without any qualifications. Offering support advice to young people with LGBT concerns and interest both personally or within their family.

Community services
Offering vocational training to young people and young adults who have a range of different needs, as well as their carers and their wider families.

Criminal justice
Delivering services to help those who are actively offending, or who have historically offended, to move towards a more positive lifestyle. This includes working in a number of prison establishments across the country.

Work and skills
Offering specialist education and employment services to vulnerable people to identify and address the barriers to their employment, to advocate with employers and to create opportunities which lead to healthier, positive and more stable lives. Overspend has been transferred from unrestricted funds.

Humankind housing
A registered provider of housing offering a solution that means we can provide housing for people with issues often considered by private landlords to be high risk. Humankind Housing has stepped in with a solution that bridges the divide.

Exeter City Council
This fund represents a grant by Exeter City Council for the employment of a specialist navigator for 12 months, under Exeter's award of funding through the Rough Sleeper Rapid Rehousing Pathway programme.

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

24. Statement of funds (continued)

Sport England
This fund represents a three-year grant by Sport England for their Flourish in Nature project using National Lottery funding. Specifically, it is to be used to train up cohorts of volunteer outdoor activity leaders in Devon.

Recovery Fund
The Recovery Fund is a pot of monies raised by Service Users, volunteers and staff to purchase items that will enhance and support recovery. Funds are received either from donations to the organisation, or are raised directly by the staff, Volunteer team and Service Users in localised or regional fundraising activities.

Transfers
Transfers between funds are to cover losses made on restricted funds which have been funded from unrestricted income streams.

24. Statement of funds (continued)

Statement of funds - current year - Company

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds - Company						
General funds						
Unrestricted funds	13,926,467	57,490,185	(54,936,261)	(357,575)	15,264	16,138,080
Defined benefit pension scheme	(23,000)	-	-	-	23,000	-
Total unrestricted funds	13,903,467	57,490,185	(54,936,261)	(357,575)	38,264	16,138,080
Restricted funds						
Big lottery	73,808	-	(2)	-	-	73,806
Independent living	8,991	482,794	(501,971)	10,186	-	-
Drugs and alcohol	47,142	39,880,737	(39,913,792)	-	-	14,087
Health young people and families	64,541	-	-	-	-	64,541
Community services	38,451	1,193,061	(1,194,815)	-	-	36,697
Criminal Justice	7,488	384,140	(381,504)	-	-	10,124
Work and skills	-	1,251,445	(1,598,814)	347,369	-	-
Humankind housing	15,522	-	(2,854)	-	-	12,668
Central	-	130,076	(130,076)	-	-	-
Exceter city	-	26,430	(26,447)	20	-	3
	255,943	43,348,683	(43,750,275)	357,575	-	211,926
Total of funds	14,159,410	100,838,868	(98,686,536)	-	38,264	16,350,006

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

24.Statement of funds (continued)

Statement of funds - prior year - Group

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers In/out £	Gains/ Losses £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Fixed Asset Reserve	52,636	-	(38,217)	30,086	-	44,505
General funds						
Unrestricted funds	14,244,928	47,495,136	(46,147,189)	(116,206)	(12,592)	15,464,077
Defined benefit pension scheme	(129,000)	-	(11,000)	-	117,000	(23,000)
	14,115,928	47,495,136	(46,158,189)	(116,206)	104,408	15,441,077
Total unrestricted funds	14,168,564	47,495,136	(46,196,406)	(86,120)	104,408	15,485,582

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

24. Statement of funds (continued)

Statement of funds - prior year - Group

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers In/out £	Gains/ Losses £	Balance at 31 March 2023 £
Restricted funds						
Big lottery	73,811	19,143	(19,146)	-	-	73,808
Independent living	16,936	292,103	(300,048)	-	-	8,991
Drugs and alcohol	63,934	27,299,451	(27,316,243)	-	-	47,142
Health, young people and families	76,901	237,533	(249,893)	-	-	64,541
Community services	27,068	842,279	(830,896)	-	-	38,451
Criminal Justice	-	446,483	(438,995)	-	-	7,488
Work and skills	-	2,757,743	(2,843,863)	86,120	-	-
Humankind housing	-	49,422	(33,900)	-	-	15,522
Central	-	83,261	(83,261)	-	-	-
Exeter City council	-	51,254	(51,254)	-	-	-
Sport England	-	4,553	(4,553)	-	-	-
Teignbridge rough sleeper initiative	-	19,604	(19,604)	-	-	-
DWP	-	3,213	(3,213)	-	-	-
Dorset County Council	34,100	544,694	(578,794)	-	-	-
Devon county Council	-	368,438	(368,438)	-	-	-
Torbay and South Devon HNS	-	9,582	(9,582)	-	-	-
Recovery fund	3,197	4,745	(2,775)	-	-	5,167
	295,947	33,033,501	(33,154,458)	86,120	-	261,110
Total of funds	14,464,511	80,528,637	(79,350,864)	-	104,408	15,746,692

24. Statement of funds (continued)

Statement of funds - prior year - Company

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds - Company						
General funds						
Unrestricted funds	13,327,366	38,697,546	(37,999,733)	(86,120)	(12,592)	13,926,467
Defined benefit pension scheme	(129,000)	-	(11,000)	-	117,000	(23,000)
Total unrestricted funds	13,198,366	38,697,546	(38,010,733)	(86,120)	104,408	13,903,467
Restricted funds						
Big lottery	73,811	19,143	(19,146)	-	-	73,808
Independent living	16,936	292,103	(300,048)	-	-	8,991
Drugs and alcohol	63,934	27,299,450	(27,316,242)	-	-	47,142
Health young people and families	76,901	237,533	(249,893)	-	-	64,541
Community services	27,068	842,279	(830,896)	-	-	38,451
Criminal Justice	-	446,483	(438,995)	-	-	7,488
Work and skills	-	2,757,743	(2,843,863)	86,120	-	-
Humankind housing	-	49,422	(33,900)	-	-	15,522
Central	-	83,261	(83,261)	-	-	-
	258,650	32,027,417	(32,116,244)	86,120	-	255,943
Total of funds	13,457,016	70,724,963	(70,126,977)	-	104,408	14,159,410

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

25. Analysis of net assets between funds - Group

Analysis of net assets between funds - current year

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £
Tangible fixed assets	7,598,725	6,542,608	14,141,333
Fixed asset investments	2,002,672	-	2,002,672
Current assets	27,664,926	-	27,664,926
Creditors due within one year	(20,521,265)	(3,067,368)	(23,588,633)
Creditors due in more than one year	-	(3,258,078)	(3,258,078)
Pension liability	-	-	-
Provisions for liabilities and charges	(641,485)	-	(641,485)
Total	16,103,573	217,162	16,320,735

Analysis of net assets between funds - prior year

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Tangible fixed assets	7,579,441	2,759,643	10,339,084
Fixed asset investments	1,987,408	-	1,987,408
Current assets	17,979,750	7,422,888	25,402,638
Creditors due within one year	(11,249,380)	(7,213,144)	(18,462,524)
Creditors due in more than one year	-	(2,708,277)	(2,708,277)
Pension liability	(23,000)	-	(23,000)
Provisions for liabilities and charges	(788,637)	-	(788,637)
Total	15,485,582	261,110	15,746,692

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

25. Analysis of net assets between funds - Company

Analysis of net assets between funds - current year

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £
Tangible fixed assets	7,598,725	6,542,608	14,141,333
Fixed asset investments	2,002,674	-	2,002,674
Current assets	26,882,797	-	26,882,797
Creditors due within one year	(19,704,631)	(3,072,604)	(22,777,235)
Creditors due in more than one year	-	(3,258,078)	(3,258,078)
Pension liability	-	-	-
Provisions for liabilities and charges	(641,485)	-	(641,485)
Total	16,138,080	211,926	16,350,006

Analysis of net assets between funds - prior year

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Tangible fixed assets	7,579,441	2,715,138	10,294,579
Fixed asset investments	3,020,239	-	3,020,239
Current assets	21,272,503	249,082	21,521,585
Creditors due within one year	(17,394,701)	-	(17,394,701)
Creditors due in more than one year	-	(2,708,277)	(2,708,277)
Pension liability	(23,000)	-	(23,000)
Provisions for liabilities and charges	(551,015)	-	(551,015)
Total	13,903,467	255,943	14,159,410

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

26. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £	Group 2023 £
Net movement in funds for the year (as per Statement of Financial Activities)	574,043	1,282,181
Adjustments for:		
Depreciation charges	1,420,224	955,387
Impairment of tangible assets	-	176,652
Change in market value of investments	(15,264)	12,592
(Loss)/profit on sale of tangible assets	298,817	(33,950)
Investment income	(296,300)	(124,188)
Interest charged	23,100	-
Decrease in stocks	8,837	10,535
Increase in debtors	(2,603,951)	(4,088,181)
Increase in creditors	5,652,810	5,077,604
(Decrease)/increase in provisions	(147,152)	598,313
Movement on pension scheme liability	(23,000)	(106,000)
Net cash provided by operating activities	4,892,164	3,760,945

27. Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	Other non-cash changes £	At 31 March 2024 £
Cash at bank and in hand	10,741,463	(332,826)	-	10,408,637
Borrowings excluding overdrafts	(268,125)	-	(23,100)	(291,225)
	10,473,338	(332,826)	(23,100)	10,117,412

28. Pension commitments

The group operates a number of pension schemes.

Humankind Charity, More Time (UK) Limited and E D P Drug and Alcohol Services operate defined contribution schemes, the pension charge represents the amounts payable by the group to the fund in the accounting period. The assets of the schemes are held separately from the group in independently administered funds. Costs charged to the Statement of Financial Activities for the year were £2,924,017 (2023 - £1,338,541). Amounts due to the scheme at the year-end were £309,373 (2023 - £243,554).

Both E D P Drug and Alcohol Services and Humankind Charity contribute to the NHS Pension scheme. Although the scheme provides defined benefits to members, it is an unfunded multi-employer scheme, with no ongoing liability for the group beyond the level of employer contributions specified by the scheme. Accordingly, it is accounted for as a defined contribution scheme. Costs charged to income and expenditure for the year were £785,430 (2023 - £270,737). Amounts due to the scheme at the year-end were £457,367 (2023 - £331,794).

28. Pension commitments (continued)

At the start of the year the group had two members of staff who were members of the West Yorkshire Pension Fund, a Local Government Pension Scheme (LGPS). This is a defined benefit scheme. During the year both scheme members left which triggered an exit. The group has obtained an LGPS valuation as at 31 March 2023 and at the scheme exit date. The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee administered funds. The total contribution made for the year ended 31 March 2024 were £8,000 (2023 - £8,000), of which employer's contributions totalled £7,000 (2023 - £6,000) and employees' contributions totaled £1,000 (2023 - £2,000). The agreed contribution rates for future years are 18.6% for employers and 5.5% - 10.5% for employees.

Principal actuarial assumptions at the scheme exit date (2023 – at the balance sheet date) (expressed as weighted averages):

	2024 %	2023 %
Discount rate	4.50	4.50
Future salary increases	3.85	3.85
Future pension increases	2.60	2.60
CPI inflation	2.60	2.60

	2024 Years	2023 Years
Mortality rates (in years)		
- for a male aged 65 now	21.6	21.6
- at 65 for a male aged 45 now	22.9	22.9
- for a female aged 65 now	24.6	24.6
- at 65 for a female aged 45 now	25.7	25.7

The Group's share of the assets in the scheme was:

	2024 £	2023 £
Equities	-	136,000
Gilts	-	12,000
Corporate bonds	-	8,000
Property	-	6,000
Cash and other liquid assets	-	4,000
Other	-	4,000
Total fair value of assets	-	170,000

The actual return on scheme assets was £2,000 (2023 - £1,000).

	2024 £	2023 £
Current service cost	7,000	13,000
Interest income	-	(4,000)
Interest cost	-	8,000
Exit credit	(15,000)	-
Total amount recognised in the Statement of Financial Activities	(8,000)	17,000

28. Pension commitments (continued)

Amounts recognised in comprehensive income

	2024	2023
	£	£
Actuarial losses arising during the period	(6,000)	(3,000)
Actuarial gains	29,000	120,000
Total amount recognised in the Consolidated statement of financial activities	23,000	117,000

The amounts included in the statement of balance sheet arising from the group's obligations in respect of defined benefit plans are as follows:

	2024
	£
Present value of defined benefit obligation	-
Fair value of plan assets	-
Deficit in scheme	-

Movements in the present value of the defined benefit obligation were as follows:

	2024	2023
	£	£
Opening defined benefit obligation	193,000	290,000
Contributions by scheme participants	1,000	2,000
Current service cost	-	13,000
Interest cost	-	8,000
Actuarial gains	(29,000)	(120,000)
Scheme exit	(165,000)	-
Adjustment to prior year by actuary	-	-
Closing defined benefit obligation	-	193,000

Movements in the fair value of the Group's share of scheme assets were as follows:

	2024	2023
	£	£
Opening fair value of scheme assets	170,000	161,000
Expected return on assets	8,000	4,000
Contributions by scheme participants	1,000	2,000
Contributions by employer	7,000	6,000
Actuarial losses	(6,000)	(3,000)
Scheme exit	(180,000)	-
Closing fair value of scheme assets	-	170,000

28. Pension commitments (continued)

The entity is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed by the UK Government's Actuary's Department and/or any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

29. Operating lease commitments

At 31 March 2024 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £	Group 2023 £	**Company 2024 £**	Company 2023 £
Not later than 1 year	2,078,173	1,658,645	2,078,173	1,535,827
Later than 1 year and not later than 5 years	4,401,348	2,922,439	4,401,348	2,635,653
Later than 5 years	518,303	886,267	518,303	886,267
	6,997,824	5,467,351	6,997,824	5,057,747

30. Related party transactions

During the period management charges and other recharges of £25,000 (2023: £194,373) were charged to E D P Drug & Alcohol Services, an entity under the control of Humankind Charity. At the year end there was an amount of £nil (2023: £229,310) due to Humankind Charity.

On 1 July 2023, E D P Drug and Alcohol Services, a subsidiary of Humankind, transferred all of its activities, assets and liabilities to the Humankind Charity. For further details of this transfer, please refer to the fixed asset investments note (note 17).

During the period there were sales of £nil (2023: £12,149) and purchases of £680,024 (2023: £429,549) from More Time (UK) Limited, an entity under the control of Humankind Charity. At the year end there was an amount of £123,310 (2023: £175,582) due to Humankind Charity. The amounts due from More Time (UK) Limited is net of a bad debt provision of £nil (2023: £107,805). Included in the amounts due from More Time (UK) Limited is a loan of £22,975 (2023: £90,485) on which interest is charged at 2% pa.

During the period there were sales of £12,782,567 (2023: £nil) and purchases of £12,782,567 (2023: £nil) to/from Humankind Support Services Limited, an entity under the control of Humankind Charity. At the year end there was an amount of £3,772,591 (2023 £nil) due to Humankind Charity.

31. Post balance sheet events

On 1 June 2024 Richmond Fellowship transferred all of its activities, assets and liabilities to Humankind Charity; Aquarius previously a subsidiary of Richmond Fellowship became a wholly owned subsidiary of Humankind Charity.

Waythrough

England & Wales - Charity number 515755

Accounts

Registered number: 01820492
Charity number: 515755

HUMANKIND CHARITY

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

HUMANKIND CHARITY
(A company limited by guarantee)

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HUMANKIND CHARITY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2023

Trustees

J E Bilbie (Resigned 14 September 2023)
A Boyt
IR Dewhirst (Resigned 9 March 2023)
E Feltin, Vice Chair
JR Foyle (Resigned 16 September 2023)
CL Gitsham, Chair
C G Matthews-Maxwell
I McQueen
S Shepherd
S Douglas
B Seth (Appointed 4 January 2023)
J Walder (Appointed 4 January 2023)

Company Registered Number

01820492

Charity Registered Number

515755

Registered Office

Inspiration House
Unit 22
Bowburn North Industrial Estate
Bowburn
Durham
DH6 5PF

Company Secretary

C Horner

Chief Executive Officer

P Townsley

Independent Auditors

RSM UK Audit LLP
Chartered Accountants
1 St. James Gate
Newcastle uponTyne
United Kingdom
NE1 4AD

Bankers

Barclays Bank
49-51 Northumberland.Street
Newcastle upon Tyne
NE1 7AF

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Solicitors

Womble Bond Dickinson LLP
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

HUMANKIND CHARITY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2022 to 31 March 2023. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Structure, governance and management

Governing document

Humankind Charity (Humankind) is a charity and company limited by guarantee –incorporated on 30 May 1984 and registered as a charity on 5 November 1984.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the Trustees are elected at the Annual General Meeting (AGM). Under the Articles, trustees are to be appointed for a three year term and may serve in office for a maximum of nine years (i.e., 3 terms).

The Trustees reviewed Humankind's Memorandum and Articles in the light of changes to Charity and Company law and made amendments in 2022. Key changes were in relation to the length of term in office.

Humankind is working in line with the charity governance code.

Recruitment, training and appointment of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Board protocol.

Humankind's governing body is a voluntary Board of Trustees, each of whom sits independently and does not represent any other agencies. The Trustees who held office during the 2022/23 financial year and at the time of writing this report are set out on page 1.

Members of the Board of Trustees meet quarterly and do not receive any remuneration. Where claimed, expenses are reimbursed. Travel expenses of £155 were reimbursed during this financial year.

A subcommittee structure is in operation, which allows for greater scrutiny of our finances (including other corporate functions), governance and innovation.

The sub-committees currently meet quarterly in advance of the Board Meeting and comprise of:

- Resources
- Housing
- Work & Skills
- Quality & Performance

Trustees are recruited using advertisements with potential trustees being invited to complete an application form. Humankind recruits Trustees who are able to offer a wide range of experience for the benefit of the group including business, finance, education and quality. A panel of Trustees, together with the chief executive, meet with applicants to discuss Humankind's aims and objectives, outline their responsibilities as Trustees and ensure that there are no conflicts of interest and to answer any questions that applicants may have.

Successful candidates are then invited to join the Board of Trustees as lay members for a period of induction between three and six months. During this time, they are required to visit a number of Humankind's projects,

Structure, governance and management (continued)

Recruitment, training and appointment of Trustees (continued)

view presentations and discuss key issues with other Board members and employees of the organisation.

Trustees undertake mandatory training annually, including Information Governance, Safeguarding and Equality Diversity and Inclusion. Regular skills audits and governance reviews also take place to ensure our trustee board has the requisite skills and attributes required to oversee our group and charity.

Once the induction process is complete applicants are invited to join the Board as Trustees. Trustee's training is an ongoing process via courses, presentations, events, visits and Away Days.

The Board of Trustees are responsible for the strategic direction and policies of the organisation and are actively involved in strategy development and business planning. The Trustees monitor compliance with the business plan through oversight of our key performance indicators as set out in the plan. The Trustees also review management accounts on a quarterly basis against financial projections which are produced at least twice yearly to reflect the activities in the business plan.

The Chair of Trustees provides supervision and support for the Chief Executive. Responsibility for the day to day running of the company lies with the Chief Executive along with the Executive Directors –the Executives meet regularly with the Operational Directors who are responsible for the operational delivery units which deliver Humankind services.

Pay policy for key management personnel

Key management personnel pay review is undertaken by the Board of Trustees, who assess and review competencies of those staff members. This review is undertaken on an annual basis and increments are applied following approval by the Board of Trustees. Humankind has a pay policy in place which is available for review by the whole workforce. Our approach to pay, and wider terms and conditions are reviewed annually as outlined in this policy.

Related party relationships

More Time (UK) Limited is a wholly owned subsidiary company which was established to carry on trading activities complementing the work of Humankind Charity. Further details are stated in Note 17 to the financial statements.

EDP (formerly Exeter Drug Project) joined together with Humankind in April 2020 in a subsidiary merger with the intent of merging fully at a later date. EDP retains many of its own processes, systems and brand but together with Humankind addresses health and social inequalities for those with substance misuse concerns across the South West. The two charities have a shared vision for people of all ages to be safe, building ambitions for the future and reaching towards their full potential. Following the financial year ended March 23 and as of the 1st July 23 EDP has fully merged into its parent charity Humankind. This has moved the "Reach" and "Together" EDP services into Humankind as the South West operational region. The majority of staff continue to deliver their roles in a very similar manner, with some EDP staff in central corporate functions moving into equivalent teams in Humankind.

During the year, Humankind Support Services a wholly owned subsidiary company was established in order to generate VAT savings within the group. This will allow the group to reinvest savings into the charity to better meet the people we serve.

Risk Management

The risk management strategy and risk registers are in place to review, evaluate and minimise any risks facing the organisation. The organisational risk register covers Finance, Operational, Governance and Environmental risks and is reviewed quarterly by the full board. Each Board Sub-committee, organisational region and department also has a risk register. Quality systems and audit checks are embedded in our service delivery and we comply with the various audit frameworks including Care Quality Commission (CQC), Ofsted, Investors in People, Matrix and Governance and Financial Standard of the Regulatory Framework.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

Risk Management (continued)

The principal risks and uncertainties we face include: reduced viability of contracts and continuing cost pressures; the need for a skilled and committed workforce who we need to ensure to feel motivated and part of Humankind; ever-changing and demanding inspection standards and demanding contract targets and outcomes. Management strategies include stringent vetting of bids and any potential liabilities they may bring; consulting with staff and implementing a strong induction program as well as reviewing our vision, mission and values with staff; employing an experienced Quality team to work with Directors and staff to embed, monitor and address contractual performance and quality standards. Our work going forward into 2023/24 will again build on the strong foundations already laid.

Employees with disabilities

The organisation fully complies with the Equality Act 2010. We have achieved Level 2 Disability Confident Employer and display an Equality, Diversity and Inclusion statement of intent on our website. Humankind does not discriminate against employees because of mental or physical disability.

Public benefit
From 1 April 2008, section 4 of the Charities Act 2011 required all charities to meet the legal requirement that their aims be for the public benefit. The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit.

The Charity Commission states that there are two principles to be met in order to show that an organisation's aims are for the public benefit; firstly, there must be an identifiable benefit or benefits and secondly that the benefit must be to the public, or a section of the public. The Trustees are satisfied that the aims and objectives of the charity, and the activities reported on above, meet these principles.

Plans for future periods

Humankind has continued to grow and to improve the quality of our work delivering health and social care services over the course of this year. 2022/23 has been the final year of our five-year strategy cycle and has seen a sustained focus on the optimising of infrastructure and reach as part of becoming a truly national charity. We are particularly proud that all our Care Quality Commission (CQC) inspected services have been rated as 'good' or 'outstanding'.

2022/23 has also seen a large amount of consultation within Humankind to engage staff, as well as with external stakeholders, to inform and shape our new five-year strategy: Being Human which we were delighted to launch at the end of March. Being Human sets out the next chapter for Humankind, is focused on outcomes rather than processes, and is centered on three central goals of 'People', 'Places' and 'Partnerships'. The strategy will be delivered from 2023/24 through an ambitious selection of collaborative workplans.

We have also reviewed and updated the way that we work with – and listen to – the people we support. Having launched our 'Working Together' strategy we are now developing a 'Life Council' made up of a wide selection of people we support at different stages in their journeys. The Life Council exists to bring the perspectives and insights of people with lived experiences of all kinds to discuss and scrutinize Humankind work and priorities, and will feed directly into our board.

Objectives and activities
Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Structure, governance and management (continued)

Objectives and activities (continued)

Summary of Humankind's areas of work

Humankind designs and delivers services to meet people's complex health and social needs, helping them to build happier and healthier lives. We are a national charity with over 1,500 staff and 246 volunteers, providing services for over 106,500 people. Our specialist services work across the North East, Yorkshire and Humber, the North West, Staffordshire, London and the South. Whilst our main specialism is drug and alcohol support we also specialise in clinical, children, young people and families, health and wellbeing, employment, training and education, criminal justice and offender rehabilitation, gender specific, housing and housing support services.

Our vision is for people of all ages to be safe, building ambitions for the future and reaching towards their full potential. We support local people to create stronger, better-connected communities.

Health and Wellbeing services including drug and alcohol treatment

As part of that vision, and the commitment to supporting communities as well as individual people, we deliver a range of public health and wellbeing services. We are proud to have built up a recognised specialism in drug and alcohol treatment and recovery over many years. However, we understand the importance of intervening early and offering support across their lives so also deliver a range of associated health and wellbeing services including lifestyle and behavioral advice.

Our drug and alcohol treatment and recovery services reduce harm, support behaviour change, promote recovery and offer comprehensive wraparound support for adults and young people.

People who use our services can access brief interventions, harm reduction services and structured treatments for substance misuse issues. We use a range of psychosocial intervention methods and models. They include Motivational Interviewing, Cognitive Behaviour Therapy and Neuro-linguistic Programming, as well as Systemic Families Therapy models, all of which are used across our services.

This year we have increased our focus on partnerships with lived experience led organisations and offer all our clients routes into peer support and mutual aid.

We also provide mental health services including early intervention activity.

Housing and Independent Living

Our Housing and Independent Living services involve Humankind being a Registered Provider, offering housing and property management/services and also services which support vulnerable people to get the right tenancy for them, and to develop the skills to maintain that tenancy.

Young People and Families

Humankind offers support to vulnerable young people and young adults who have a range of different needs, and also to their carers and their wider family.

Criminal Justice

We deliver services to help those who are actively offending, or who have historically offended, to move towards a more positive lifestyle. This includes working in a number of prison establishments across the country. In the North East we have worked extensively with partners under our Reconnected to Health brand to prepare for the formal launch of a Reconnect Hub in Durham to support men being released from the nearby prison.

Structure, governance and management (continued)

Objectives and activities (continued)

Work & Skills

Humankind offers specialist education and employment services. Our provision gives vulnerable people the valuable opportunity to identify and address the barriers to their employment, to work with employers and to create opportunities which lead to healthier, positive and more stable lives.

Our Impact

Examples of our impact in 2022/23 include:

Organisation-wide:

- Humankind supported 106,558 people across our services
- Volunteers across our services gave a total of 36,126 hours; an average of 694 hours for each week of the year. The volunteer hours have not been included within the financial statements as a donation as this cannot be reliably measured for accounting purposes.
- A total of 3,891 responses were received from people who access our services, who provided the following feedback:
- People surveyed gave our services an average satisfaction score of 4.84 out of 5
- 99% of people said that they would recommend us to a friend

Work & Skills:

Our Steps for Success Service during 2022/23 achieved:

- 71 learners aged 16-18, and up to 24 (if they have an EHCP) have been enrolled on Humankind's Steps for Success Study Programme
- 36 adult learners have completed a programme to help them better manage their wellbeing
- 16 learners have completed a programme called Money Matters to help them better manage their money and make savings

Independent Living & Housing:

- In 2022/23 our independent living services supported 1,583 people
- 426 people (96%) receiving 'floating support' were successfully supported to obtain accommodation or to keep their existing tenancy when it was under threat
- 878 people were supported to leave our services in a supported, planned way and successfully achieved 92% of their desired outcomes
- 892 were supported to develop confidence and the ability to have greater choice or control
- 710 were supported to maximise their income including navigation of the Benefits system
- 549 were supported to better manage their mental health
- 536 were supported to better manage their physical health
- 233 were supported to better manage their overall debt
- 112 were supported to participate in training/education
- 82 were supported to obtain employment

Drug and Alcohol Recovery:

- 7,103 adults exited our services in a positive, planned way having achieved abstinence or reduced their use – a 12% increased on 2021/22
- On average, 19 people successfully complete treatment from our services drug or alcohol free each day
- 4,474 Naloxone kits were given out to people accessing our Drug & Alcohol services
- 7,499 Hepatitis C tests have been carried out with people accessing our Drug & Alcohol Services

Strategic report

Achievements and performance

Financial review

Our focus this year has been to further strengthen and consolidate our financial position. We have monitored potential and actual costs closely to ensure that we continued to meet our charitable objectives as well as strengthening our position for the future. We have also been successful in attracting new business to the group which too which has also contributed to the positive result in the year.

The majority of our funding is still obtained by tendering for the delivery of our specialist services. Our funders include Local Authorities, CCG's, Skills Funding Agency, the Big Lottery, DWP and charitable grants and donations.

Total group income for the year was £81m, representing an increase in income of 13% on 2021/22 with a group surplus of funds totaling £1.3m.

Total group funds carried forward of £15.7m comprise group unrestricted funds totaling £15.5m and restricted funds totaling £261k.

Restricted funds relate to unspent elements of funds received for restricted purposes.

In the year, Humankind purchased services from More Time (UK) Limited to the value of £430k, relating to premises cleaning work. This represents 86% of More Time's income for the year. More Time has made a surplus of £103k in the year.

During the year management charges and other recharges of £194k were charged to EDP Drug and Alcohol Services. EDP Drug and Alcohol Services made a surplus of £475k.

We have continued to exercise tight financial controls over cash flow and to retain a high level of liquidity that is adequate for us to service our existing commitments and to invest in our growth areas.

Reserves policy

Following the review of our reserves policy, we believe that the target level set continues to be sufficient for the needs of our organisation. Our reserves policy is set at an equivalent to one month of total resources expended.

Such a level of reserves would provide a buffer to enable the organisation to make provisions for the loss of a major service whilst maintaining effective management and administration of the charity. These reserves also provide working capital to enable development of service provision.

Based on the above, target reserves would have needed to have been £6.6m. The actual free reserves balance of £8.5m exceeds our target. We continue to review the requirements for setting an appropriate reserves policy, to ensure we are able to continue to meet our group aspirations in the future.

Investment policy

Humankind strives to produce the best financial return with a minimal level or risk and will not invest funding in financial instruments that may result in a loss of capital.

Strategic report (continued)

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Group and Charity have adequate resources to continue operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Engagement with employees and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Charity carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Charity has implemented a number of detailed policies in relation to all aspects of personnel matters including:

Equal opportunities policy
Volunteers' policy
Health & safety policy

In accordance with the Charity’s equal opportunities policy, the Charity has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Charity’s offices.

Strategic report (continued)
Greenhouse gas emissions, energy consumption and energy efficiency action

UK Greenhouse gas emissions and energy use data for the period 1 April 2022 to 30 March 2023.

Energy consumption breakdown:

Natural Gas for Heating	-	2,157,024 kWh / 394 tonnes CO2e (2022 : 2,330,087 kWh / 427 tonnes CO2e)
Electricity	-	1,487,706 kWh (314 tonnes CO2e) (2022: 952,980 kWh / 220 tonnes CO2e)
Transport	-	1,148,204 kWh (284 tonnes CO2e) (2022: 726,158 kWh / 179 tonnes CO2e)
Total	-	4,792,934 kWh (991 tonnes CO2e) (2022: 4,009,225 kWh / 826 tonnes CO2e)

The data and information contained in the document is calculated and reported in line with the methodology set out in the UK Governments Environmental Reporting Guidelines, 2019.

An operational control approach has been used to define the Greenhouse Gas emissions boundary. This approach captures emissions associated with the operation of all office buildings, plus company-owned vehicles and business travel in private vehicles. This report covers UK operations only, as required by SECR for Non-Quoted Large Companies.

The carbon and energy consumption associated with the operation of buildings includes the consumption of electricity and gas, in those instances where Humankind have direct responsibility for the electricity and gas consumption, through a metering and utility invoices. In other circumstances, where Humankind is a tenant in a building, for which they have no maintenance or operation control, for example control over the infrastructure or building service, or where they operate managed services, energy consumption has been included in those instances it is considered material to the environmental impact of the Charity i.e., where energy consumption is a significant percentage of the total Estate or where it can be affected by Humankind.

This approach reflects the complexity of the Humankind Estate and often-complicated arrangements between landlord, tenant, and project funder, where the utility invoices are not directly paid by Humankind. For example, Humankind operates as a social landlord, where a property may be rented but a tenant installed. The tenant is ultimately responsible for controlling consumption and the landlord for the building's infrastructure, services, and maintenance. Other examples include where the Charity manages a commissioned service, where staffed services are provided only, with Humankind having no responsibility for maintenance, nor the ability to improve the building infrastructure, services, or energy efficiency, often these examples have the cost of utilities recharged to the funder.

Approximately 17% of electricity data and 0.01% of gas data (2022: 11% and 36%) is based on estimated data due to the availability of meter readings and data, this is deemed permittable with the guidelines. Emissions have been calculated using the latest conversion factors provided by the UK Government. There are no material omissions from the mandatory reporting scope.

The reporting period is April 2022 to March 2023, in accordance with the financial reporting period.

During 2022-23 Humankind has continued to replace less energy efficient lighting with LED lighting in office refurbishments and as part of ongoing maintenance wherever practically possible. Humankind continues to support hybrid working in many posts which reduced energy consumption in Humankind premises though reduced heating, lighting, and reduced use of electrical equipment. All staff have access to software for holding online meetings and this is encouraged to reduce business travel.

In accordance with the legislation an intensity ratio has been calculated, this expresses the business' annual emissions in relation to a quantifiable factor or normaliser. The intensity ratio calculated for Humankind is 12.3 tonnes CO2 per £m revenue is 5% higher than last year, due to a 14% increase in revenue/charity activity.

Strategic report (continued)

Value for money statement

Humankind is committed to delivering Value for Money (VfM) as an integral part of its business strategy.

The aims and objectives of VfM will be incorporated within each Service Delivery Units (SDU) Business Plans and will be imbedded across all areas of service delivery.

It is our aim to continually assess opportunities to enhance our services and actively involve our employees, service users and partners to achieve value for money.

We will continually seek value by sourcing the best materials at the best price. We will always look to make our services work more efficiently and effectively.

To meet our commitment to achieving VfM, Humankind has set itself the following objectives:

- Integrate VfM principles throughout the organization
- Incorporate VfM within everything we do
- Avoid duplication and simplify processes
- Identify ineffective processes and implement appropriate changes
- Adopt recognised good practices to identify VfM opportunities and procedures
- Seek innovative methods to achieve VfM both in value and savings
- Respond to opportunities that enhance our VfM objectives
- Ensure all staff recognise how their actions impacts on VfM
- Promote VfM across our services, with service users, partners and Boards
- Build strong partnerships with suppliers and contractors
- Seek continuous improvement to achieve efficiency

Value for Money Metrics as at 31 March 2023

		2023	2022
Metric 1	Reinvestment %	**9.4%**	14.1%
Metric 2A	New supply delivered % (social housing units)	**2.8%**	6.7%
Metric 2B	New supply delivered % (non-social housing units)	**N/A%**	N/A%
Metric 3	Gearing %	**0%**	-22.7%
Metric 4	EBITDA MRI interest cover %	**7,494%**	6,309%
Metric 5	Headline social housing cost per unit	**£9,563**	£8,639
Metric 6A	Operating margin % (social housing lettings only)	**18.4%**	9%
Metric 6B	Operating margin % (overall)`	**1.8%**	2.6%
Metric 7	Return on capital employed	**7.16%**	10.21%

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

No third party indemnity insurance was in place during the year.

Disclosure of information

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that;

- So far as the Trustee is aware, there is no relevant audit information of which the charities auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the group's auditors are aware of that information

Approved by order of the members of the board of Trustees on 28/09/23 and signed on their behalf by

Caroline Gitsham

C L Gitsham
(Chair of Trustees)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUMANKIND CHARITY

Opinion

We have audited the financial statements of Humankind Charity (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities (incorporating income and expenditure account), consolidated and charity balance sheets, consolidated statement of cash flows 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 2023 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 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 12, 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 and component auditors:

- 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, Companies Act 2006, Charities Act 2011, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are Health and Safety at Work Act 1974, Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards) and the Care Quality Commission Standards. 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 licensing or 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 substantive tests of detail to ensure that revenue was appropriately recognised in the year.

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.

Lucy Robson

LUCY ROBSON (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
United Kingdom, NE1 4AD

Date: 28/09/23

HUMANKIND CHARITY
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	42,688	22,419	65,107	123,819
Charitable activities	4	47,180,854	33,011,082	80,191,936	70,698,393
Other trading activities	5	147,406	-	147,406	19,182
Investments	6	124,188	-	124,188	470
Other income		-	-	-	10,351
		47,495,136	33,033,501	80,528,637	70,852,215
Total Expenditure on:					
Raising funds	7	471,894	-	471,894	353,737
Charitable activities	8	45,724,512	33,154,458	78,878,970	68,717,185
Total expenditure		46,196,406	33,154,458	79,350,864	69,070,922
Net income		1,298,730	(120,957)	1,177,773	1,781,293
Transfers between funds	24	(86,120)	86,120	-	-
Net movement in funds before Other recognised gains/(losses)		1,212,610	(34,837)	1,177,773	1,781,293
Other recognised gains/(losses):					
Fair value losses on investments	17	(12,592)	-	(12,592)	-
Actuarial gains on defined benefit pension schemes	28	117,000	-	117,000	54,000
Net movement in funds		1,317,018	(34,837)	1,282,181	1,835,293
Reconciliation of funds:					
Total funds brought forward		14,168,564	295,947	14,464,511	12,629,218
Net movement in funds		1,317,018	(34,837)	1,282,181	1,835,293
Total funds carried forward		15,485,582	261,110	15,746,692	14,464,511

HUMANKIND CHARITY
(A company limited by guarantee)

REGISTERED NUMBER: 01820492

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	£	2023 £	£	2022 £
Fixed assets					
Intangible assets	15		-		-
Tangible assets	16		10,339,084		9,535,329
Investments	17		1,987,408		1
			12,326,492		9,535,330
Current assets					
Stocks	18	111,139		121,674	
Debtors	19	14,550,036		10,461,855	
Cash at bank and in hand		10,741,463		10,981,682	
		25,402,638		21,565,211	
Creditors: amounts falling due within one year	20	(18,462,524)		(13,684,614)	
Net current assets			6,940,114		7,880,597
Total assets less current liabilities			19,266,606		17,415,927
Creditors: amounts falling due after more than one year	21		(2,708,277)		(2,632,092)
Provisions for liabilities	23		(788,637)		(190,324)
Net assets excluding pension liability			15,769,692		14,593,511
Defined benefit pension scheme liability	28		(23,000)		(129,000)
Total net assets			15,746,692		14,464,511
Group funds					
Restricted funds	24		261,110		295,947
Unrestricted funds					
Unrestricted funds excluding pension asset	24	15,508,582		14,297,564	
Pension reserve	24	(23,000)		(129,000)	
Total unrestricted funds	24		15,485,582		14,168,564
Total funds			15,746,692		14,464,511

CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2023

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorized for issue by the Trustees on 28/09/23 and signed on their behalf by

Caroline Gitsham

C L Gitsham
(Chair of Trustees)

HUMANKIND CHARITY
(A company limited by guarantee)

REGISTERED NUMBER: 01820492

COMPANY BALANCE SHEET AS AT 31 MARCH 2023

	Note	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	16		10,294,579		9,482,693
Investments	17		3,020,239		1,032,830
			13,314,818		10,515,523
Current assets					
Stocks	18	106,082		117,546	
Debtors	19	14,435,841		9,414,214	
Cash at bank and in hand		6,979,662		8,673,788	
		21,521,585		18,205,548	
Creditors: amounts falling due within one year	20	(17,394,701)		(12,502,963)	
Net current assets			4,126,884		5,702,585
Total assets less current liabilities			17,441,702		16,218,108
Creditors: amounts falling due after more than one year	21		(2,708,277)		(2,632,092)
Provisions for liabilities	23		(551,015)		-
Net assets excluding pension liability			14,182,410		13,586,016
Defined benefit pension scheme liability	28		(23,000)		(129,000)
Total net assets			14,159,410		13,457,016
Charity funds					
Restricted funds			255,943		258,650
Unrestricted funds					
Unrestricted funds excluding pension liability		13,926,467		13,327,366	
Pension reserve		(23,000)		(129,000)	
Total unrestricted funds			13,903,467		13,198,366
Total funds			14,159,410		13,457,016

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

As permitted by s408 of the Companies Act 2006, the company has not presented its own statement of financial activity and related notes as it prepares group accounts. The company's surplus for the period was £702,394 (2022: £1,231,044) of which £ 791,221 (2022: £1,207,330) was unrestricted and £88,827 deficit (2022: £23,674 surplus) was restricted.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 28/09/23 and signed on their behalf by:

Caroline Gitsham

C L Gitsham
(Chair of Trustees)

HUMANKIND CHARITY
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	26	3,760,945	2,223,990
Cash flows from investing activities			
Investment income		124,188	470
Purchase of tangible fixed assets		(1,942,461)	(1,877,851)
Proceeds on disposal of tangible assets		40,617	-
Purchase of listed investments		(2,149,028)	-
Proceeds from sale of investments		149,028	-
Net cash used in investing activities		(3,777,656)	(1,877,381)
Cash flows from financing activities			
Repayments of borrowing		(223,508)	(34,254)
Net cash used in financing activities		(223,508)	(34,254)
Changes in cash and cash equivalents in the year		(240,219)	312,355
Cash and cash equivalents at the beginning of the year		10,981,682	10,669,327
Cash and cash equivalents at the end of the year		10,741,463	10,981,682

The notes on pages 22 to 58 form part of these financial statements

HUMANKIND CHARITY
(A company limited by guarantee)

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

1. Accounting policies

1.1 General information

Humankind Charity (the "company") is a company limited by guarantee and is registered and incorporated in England and Wales. The registered office is Inspiration House, Unit 22, Bowburn North Industrial Estate, Bowburn, Durham, DH6 5PF. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The groups objectives are included in the trustees report.

1.2 Basis of preparation of financial statements

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and they comply with the Accounting Direction for Private Registered Providers of Social Housing 2019, and under the historical cost convention.

Departure from the SORP
The following statements and notes to the accounts have been included in order to comply with the 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):

- The Consolidated Statement of Financial Activities in place of the Consolidated Statement of Comprehensive Income.
- Income and expenditure notes to include reference to unrestricted and restricted expenditure
- Statement of funds
- Analysis of net assets between funds

Humankind Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

Reduced disclosure
The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charitable company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – presentation of a statements of cash flow and related notes and disclosures;

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

1. Accounting policies (continued)

1.3 Basis of consolidation

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.4 Going concern

At time of approving the financial statements, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group continues to meet all its objectives under current contracts and there have been no indicators of any claw backs.

The financial statements have been prepared on a going concern basis as the Trustees believe that there are no other material uncertainties.

1.5 Income

Voluntary income is received by way of donations and is included in full in the Statement of Financial Activities when received.

Income from charitable activities includes income recognised as earned where the related services are provided under contract or where entitlement to grant funding is subject to specific performance conditions. Grant income included in funding is subject to specific performance conditions. Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Grants, where entitlement is not conditional on the delivery of a specific performance by the group, are recognised when the group becomes unconditionally entitled to the grant.

Income from other trading activities is revenue from contracts for the provision of professional services and is recognised at the fair value of the consideration received or receivable for the provision of services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

The charity recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Income is deferred where grants have been received for a future period and is released to incoming resources in the period for which it has been received.

Grants received for the purchase of fixed assets are recognised in full when received in the Statement of Financial Activities.

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

1. Accounting policies (continued)

1.5 Income (continued)

Investment income is recognised on a receivable basis. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Property rental income represents all rental and service charge receivable when it falls due and amortised capital grant.

All incoming resources are included gross and no expenditure has been netted off from the income

1.6 Expenditure

Expenditure is recognised on an actual basis when a liability is incurred. Expenditure is net of recoverable VAT where conditions for recovery are met. All other expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprises the support costs from central functions associated with attracting voluntary income.

Charitable group expenditure comprises those costs incurred by the group in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable group activities. Governance costs are those incurred in connection with administration of the charitable group and compliance with constitutional and statutory requirements.

Support costs are those functions that assist the work of the group but do not directly undertake charitable activities. Support costs include governance, finance, information technology, human resources and quality. These costs have been allocated to expenditure on charitable activities.

Charitable activities and Governance costs are costs incurred on the charitable group's operations, including support costs and costs relating to the governance of the group apportioned to charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.7 Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.8 Taxation

Humankind Charity and E D P Drug & Alcohol Services are registered charities and as such are exempt from tax on income and gains falling within Chapter 3 Part II Corporation Tax Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable object. The Group’s trading subsidiary is liable to corporation tax on their trading profits.

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

1. Accounting policies (continued)

1.9 Intangible assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, which is 5 years.

1.10 Tangible fixed assets and depreciation

Social housing properties for letting

Housing properties are properties for the provision of social housing and are principally properties available for rent and shared ownership. Completed housing and shared ownership properties are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, and expenditure incurred during the development period.

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

Freehold housing properties are depreciated by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

Component	
Structure	75 years
Roof	45 years
Kitchen	20 years
Bathroom	30 years
Heating system	30 years
Windows	30 years
Electrical	30 years
Doors	20 years
Boiler	15 years

Freehold land is not depreciated
At each reporting date the Charitable group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

1. Accounting policies (continued)

1.10 Tangible fixed assets and depreciation (continued)

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% - 50% on cost
Long term leasehold	- in line with lease agreement
property Motor vehicles	- 20% - 33.3% on cost
Fixtures and fittings	- 20% - 50% on cost
Computer equipment	- 20% - 33.3% on cost

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Social housing grant

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised over the estimated useful life of the asset structure, under the accruals model.

On disposal of properties which have been wholly or partly by Social Housing Grant, the grant is recycled as required by the Homes and Communities Agency and will be utilised against future approved projects.

Recycling of capital grants

Where Social Housing Grant is recycled, as described above, the Social Housing Grant is credited to a fund which is shown as a creditor until used to fund the acquisition of new properties.

Impairments

Tangible fixed assets are assessed at each year end to assess whether or not there is any evidence that an asset may be impaired. If there is evidence of impairment, an impairment loss is recognised in the Statement of Financial Activities immediately.

Major Repairs

Major repairs are capitalised to the extent that they relate to the replacement or restoration of a separately identified property component or where the expenditure results in the enhancement of the economic benefits of the assets such as an increase in rental income, a reduction in future maintenance costs or a significant extension to its useful economic life. In any other circumstances repairs are charged to the income and expenditure account as incurred.

1. Accounting policies (continued)

1.11 Fixed asset investments

Listed investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities. Transaction costs are expensed as incurred.

Investments in subsidiaries are stated at cost less provision for impairment.

1.12 Stocks

Stocks is valued at the lower of cost and net realisable value. Stock comprises cleaning materials, I.T. equipment, stationery, refreshments, cartridges and marketing material held for future use.

1.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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

1. Accounting policies (continued)

1.15 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

1.16 Operating leases

Rentals paid under operating leases, including any lease incentives received, are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

1.17 Pensions

The group operates a number of defined contribution pension schemes. The group has no liability under the scheme other than payment of those contributions to a separately administered fund. Costs are charged to the income and expenditure account as incurred. The group also has two members of staff who are members of the West Yorkshire Pension Fund, a Local Government Pension Scheme (LGPS). This is a defined benefit scheme. The group has obtained an LGPS valuation as at 31 March 2023.See note 28 for further details.

1.18 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1. Accounting policies (continued)

1.19 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Investment income, gains and losses are allocated to the appropriate fund.

1.20 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2. Critical judgements and estimates

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charitable group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Defined benefit pension scheme
The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 March 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. In the current year the actuary has made assumptions in respect of CPI inflation and salary increases.

Useful economic lives of tangible assets
Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of the asset. An estimate of the useful life of the assets is detailed in the tangible fixed assets and depreciation accounting policy. The value of depreciation charge during the year was £955,387 (2022 - £860,065).

Dilapidations
The dilapidation provision is assessed on a lease-by-lease basis and, in light of previous experience of actual dilapidation costs, the calculation has been revised during the year to 31 March 2023. Dilapidation costs are now provided for at £15 per square foot unless otherwise specified in the lease. The provision accrues over the term of the lease, taking due account of any upcoming break clauses.

Residual value of social housing properties
It is considered that the estimate of residual value of social housing properties has a significant impact on the carrying amount of social housing assets. The Group consider the residual value of social housing property structure to be cost.

Critical areas of judgment:

Classification of housing property
It is the Group's opinion that while rental income is received from the provision of social housing, the primary purpose is to provide social benefits. The provision of social housing is therefore akin to supplying a service and so property held for this purpose has been accounted for as property, plant and equipment. This treatment is consistent with housing associations that have chosen the alternative option of applying the revised UK GAAP (FRS 102), which contains explicit provisions for this scenario and arrives at a similar conclusion; it is also consistent with guidance contained in the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018 (the SORP).

Definition of operating surplus/(deficit)
It is the Group's opinion that all items included in the particulars of income and expenditure from social housing, note 14b, are representative of activities that would normally be regarded as 'operating'.

3. Income from donations and legacies

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Donations	42,688	22,419	65,107	123,819
Total 2022	31,971	91,848	123,819	

4. Income from charitable activities

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Substance misuse	34,040,470	28,325,774	62,366,244	54,211,962
Criminal justice	4,535,665	446,483	4,982,148	4,537,435
Work and skills	1,410,912	2,757,343	4,168,255	3,407,661
Community services	1,416,894	1,096,738	2,513,632	2,411,075
Independent living services	2,521,988	277,522	2,799,510	2,885,202
Housing	2,970,229	23,960	2,994,189	2,691,800
Premises	194,951	-	194,951	194,540
Commercial property	27,350	25,462	52,812	52,391
Central support services	62,395	57,800	120,195	306,327
Total 2023	47,180,854	33,011,082	80,191,936	70,698,393
Total 2022	51,882,315	18,816,078	70,698,393	

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted Funds 2023 £	Total funds 2023 £	Total funds 2022 £
More Time (UK) Limited	147,406	147,406	19,182
Total 2022	19,182	19,182	

6. Investment income

	Unrestricted Funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest receivable	107,438	107,438	470
Income from listed investments	16,750	16,750	-
	124,188	124,188	470
Total 2022	470	470	

7. Expenditure on raising funds

	Unrestricted Funds 2023 £	Total funds 2023 £	Total funds 2022 £
More Time (UK) Limited:			
Staff costs	430,437	430,437	328,079
Audit fees	6,350	6,350	5,750
Other costs	35,107	35,107	19,908
	471,894	471,894	353,737
Total 2022	353,737	353,737	

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

8. Analysis of expenditure on charitable activities

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Substance misuse	32,749,683	28,379,917	61,129,600	53,233,411
Criminal justice	3,801,695	438,995	4,240,690	3,966,584
Work and skills	1,227,338	2,843,863	4,071,201	3,334,484
Community services	1,324,290	1,099,935	2,424,225	2,375,844
Independent living services	2,052,785	300,048	2,352,833	2,746,923
Housing	2,421,462	8,438	2,429,900	2,322,210
Premises	142,041	-	142,041	141,221
Commercial property	60,694	25,462	86,156	78,299
Central support services	1,944,524	57,800	2,002,324	518,209
Total 2023	45,724,512	33,154,458	78,878,970	68,717,185
Total 2022	49,835,172	18,882,013	68,717,185	

9. Support cost classification

	Support costs 2023 £	Governance costs 2023 £	Total 2023 £	Total 2022 £
Finance, legal and IT	2,768,467	-	2,768,467	2,057,464
HR and Training (L & D)	995,816	-	995,816	844,237
Business development and communications	1,538,515	-	1,538,515	1,098,734
Governance	-	1,520,347	1,520,347	1,101,159
	5,302,798	1,520,347	6,823,145	5,101,594

	Activities directly undertaken 2023 £	Support and governance costs 2023 £	Total Funds 2023 £	Total Funds 2022 £
Substance misuse	55,841,802	5,287,798	61,129,600	53,233,411
Criminal justice	3,873,864	366,826	4,240,690	3,966,584
Work and skills	3,719,036	352,165	4,071,201	3,334,484
Community services	2,214,526	209,699	2,424,225	2,375,844
Independent living services	2,149,310	203,523	2,352,833	2,746,923
Housing	2,219,710	210,190	2,429,900	2,322,210
Premises	129,754	12,287	142,041	141,221
Commercial property	78,703	7,453	86,156	78,299
Central support services	1,829,120	173,204	2,002,324	518,209
Total 2023	72,055,825	6,823,145	78,878,970	68,717,185
Total 2022	63,615,591	5,101,594	68,717,185	

Support and governance costs have been allocated to expenditure on charitable activities, in proportion to the value of activities directly undertaken.

10. Auditors' remuneration

	2023 £	2022 £
Fees payable to the group's auditor for the audit of the group and subsidiary's annual accounts	41,650	31,500
Fees payable to the group's auditor in respect of: All non-audit services not included above	6,350	5,750

11. Net movement in funds

Net movement in funds is stated after charging:

	2023 £	2022 £
Depreciation	955,387	860,065
Impairment	176,652	-
Profit on disposal of fixed assets	(33,950)	-
Operating lease rentals – Land and buildings	2,051,901	1,589,761
Government Grant	-	(10,351)

Government grants related to amounts received for the Coronavirus job retention scheme.

12. Staff costs

	Company 2023 £	Company 2022 £	**Group 2023 £**	Group 2022 £
Wages and salaries	37,264,220	31,684,020	43,032,161	36,890,741
Social security costs	3,277,050	2,631,037	3,758,195	3,071,956
Redundancy payments	117,767	418,272	117,767	432,914
Contribution to defined contribution pension schemes	1,383,266	1,250,340	1,609,278	1,483,321
Operating costs of defined benefit pension schemes	17,000	11,000	17,000	11,000
	42,059,303	35,994,669	48,534,401	41,889,932

The average number of persons employed during the year was as follows:

	Company 2023 No	Company 2022 No	**Group 2023 No**	Group 2022 No
Charitable activities	**1,188**	1,087	**1,405**	1,315
Support activities	**139**	114	**139**	114
Generating funds	**-**	-	**54**	45
	1,327	1,201	**1,598**	1,474

12. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No	2022 No
In the band £60,001 - £70,000	9	9
In the band £70,001 - £80,000	5	3
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	3	8
In the band £100,001 - £110,000	4	2
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-

Total employment benefits paid by the Group in the year in respect of the key management personnel were £986,929 (2022: £1,074,343).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, expenses totaling £155 were reimbursed or paid directly to Trustees (2022 - £1,940).

14a. Social housing and social housing activities

	Turnover £'000	**2023 Operating Costs £'000**	**Operating Surplus/(Deficit) £'000**	Turnover £'000	2022 Operating Costs £'000	Operating Surplus/(Deficit) £'000
Social housing activities						
Income and expenditure from lettings	2,994,189	(2,429,900)	564,289	2,691,800	(2,322,210)	369,590
Other social housing activities						
Independent living services	2,799,510	(2,352,833)	446,677	2,885,202	(2,746,923)	138,279
Total	5,793,699	(4,782,733)	1,010,966	5,577,002	(5,069,133)	507,869

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

14b. Particulars of income and expenditure from social housing

	2023 £	2022 £
Income from social housing letting activities		
Rent receivable	1,182,081	1,133.297
Service charge income	2,095,284	1,792,433
Gross rent receivable	3,277,365	2,925,730
Rent losses from voids	(472,307)	(357,158)
Net rents receivable	2,805,058	2,568,572
Amortised government grants	114,225	98,248
Other income	74,906	24,980
Total income from social housing letting activities	2,994,189	2,691,800
Expenditure on social housing letting activities		
Management	446,663	409,438
Other costs	1,660,334	1,455,687
Maintenance	291,919	295,263
Depreciation	30,984	161,822
Total expenditure on social housing letting activities	2,429,900	2,322,210
Operating surplus on social housing letting activities	564,289	369,590
Accommodation in Management		
Supported housing - No. of units	286	284

15. Intangible assets

Group

	Goodwill £	Negative goodwill £	Total £
Cost			
At 1 April 2022 and 31 March 2023	42,000	(1,032,828)	(990,828)
Amortisation			
At 1 April 2022 and 31 March 2023	42,000	(1,032,828)	(990,828)
Net book value			
31 March 2022 and 31 March 2023	-	-	-

The company had no intangible assets at 31 March 2023 or 31 March 2022.

16. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Motor Vehicles £	Fixture and fittings £	Computer equipment £	Social housing properties held for letting £	Total £
Cost or valuation							
At 1 April 2022	2,383,668	4,127,987	210,053	2,705,812	296,896	5,284,617	15,009,033
Additions	-	47,104	-	993,765	392,434	509,158	1,942,461
Disposals	-	(317,712)	(61,696)	(1,357,971)	-	-	(1,737,379)
At 31 March 2023	2,383,668	3,857,379	148,357	2,341,606	689,330	5,793,775	15,214,115
Depreciation and impairment							
At 1 April 2022	483,810	2,112,349	165,255	1,722,412	22,865	967,013	5,473,704
Charge for the year	76,117	388,786	17,969	431,659	43,492	(2,636)	955,387
On disposals	-	(317,712)	(55,029)	(1,357,971)	-	-	(1,730,712)
Impairment	-	176,652	-	-	-	-	176,652
At 31 March 2023	559,927	2,360,075	128,195	796,100	66,357	964,377	4,875,031
Net book value							
At 31 March 2023	1,823,741	1,497,304	20,162	1,545,506	622,973	4,829,398	10,339,084
At 31 March 2022	1,899,858	2,015,638	44,798	983,400	274,031	4,317,604	9,535,329

16. Tangible fixed assets (continued)

Company

	Freehold property £	Long-term leasehold property £	Motor Vehicles £	Fixture and fittings £	Computer equipment £	Social housing properties held for letting £	Total £
Cost or valuation							
At 1 April 2022	2,383,668	4,127,987	183,773	2,547,339	296,896	5,284,617	14,824,280
Additions	-	47,104	-	963,679	392,434	509,158	1,912,375
Disposals	-	(317,712)	(61,696)	(1,357,971)	-	-	(1,737,379)
At 31 March 2023	2,383,668	3,857,379	122,077	2,153,047	689,330	5,793,775	14,999,276
Depreciation and impairment							
At 1 April 2022	483,810	2,112,349	138,975	1,616,575	22,865	967,013	5,341,587
Charge for the year	76,117	388,786	17,969	393,442	43,492	(2,636)	917,170
On disposals	-	(317,712)	(55,029)	(1,357,971)	-	-	(1,730,712)
Impairment	-	176,652	-	-	-	-	176,652
At 31 March 2023	559,927	2,360,075	101,915	652,046	66,357	964,377	4,704,697
Net book value							
At 31 March 2023	1,823,741	1,497,304	20,162	1,501,001	622,973	4,829,398	10,294,579
At 31 March 2022	1,899,858	2,015,638	44,798	930,764	274,031	4,317,604	9,482,693

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

17. Fixed asset investments

	Group 2023	Group 2022	**Company 2023**	Company 2022
Unlisted investment	-	1	1,032,831	1,032,830
Listed investments				
Investments	1,987,408	-	1,987,408	-
	1,987,408	1	3,020,239	1,032,830

	Listed investments £
Group	
Cost or valuation	
At 1 April 2022	-
Additions	2,149,028
Disposals	(149,028)
Change in market value	(12,592)
Net book value	
31 March 2023	1,987,408

	Investments in subsidiaries £	**Listed investments £**	**Total £**
Company			
Cost or valuation			
At 1 April 2022	1,032,830	-	1,032,830
Additions	1	2,149,028	2,149,029
Disposals	-	(149,028)	(149,028)
Change in market value	-	(12,592)	(12,592)
Net book value			
31 March 2023	1,032,831	1,987,408	3,020,239

17. Fixed asset investments (continued)

Principal subsidiaries

The following were subsidiary undertakings of Humankind Charity:

	Company Number	Charity Registration Number	Holding
More Time (UK) Limited	07738729		100%
The Sector Group Limited (dormant)	07738950		100%
E D P Drug & Alcohol Services	02145656	0297370	100%
Humankind Support Services Limited (dormant)	14174303		100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) /Surplus/ (Deficit) for the year £	Net assets £
More Time (UK) Limited	576,955	474,013	**102,942**	(129,013)
The Sector Group Limited (dormant)	-	-	**-**	1
E D P Drug & Alcohol Services	9,864,908	9,389,508	**475,400**	2,641,319
Humankind Support Services Limited (dormant)	-	-	**-**	1

The registered office for More Time (UK) Limited, The Sector Group Limited and Humankind Support Services Limited is Inspiration House, Unit 22, Bowburn North Industrial Estate, Bowburn, Durham, DH6 5PF. The registered office for EDP Drug & Alcohol Services is Stratus House, Exeter Business Park, Exeter, Devon, EX1 3QS.

Humankind Support Services Limited was incorporated on 15 June 2022 and has not yet commenced trading.

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

18. Stocks

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Materials and consumables	111,139	121,674	106,082	117,546

19. Debtors

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Amounts falling due within one year				
Trade debtors	11,516,368	7,809,298	11,246,290	6,605,649
Amounts owed by group undertakings	-	-	296,952	293,100
Other debtors	345,896	310,245	272,056	278,097
Prepayments and accrued income	2,687,772	2,342,312	2,620,543	2,237,368
	14,550,036	10,461,855	14,435,841	9,414,214

Included within debtors are bad debt provisions totaling £48,330 (2022: £79,099) in relation to trade debtors in the group and the company and £107,805 (2022: £107,805) in relation to amounts owed by group undertakings in the company.

20. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Bank loans	-	25,637	-	25,637
Trade creditors	1,279,316	2,342,104	1,174,757	1,972,829
Other taxation and social security	1,181,809	953,881	1,004,761	808,508
Other creditors	866,465	597,176	790,951	558,839
Accruals and deferred income	15,134,934	9,765,816	14,424,232	9,137,150
	18,462,524	13,684,614	17,394,701	12,502,963

Within other creditors, in the group and company, are unspent capital grants received of £147,524 (2022 - £128,481).

20. Creditors: Amounts falling due within one year (continued)

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Deferred income at 1 April 2022	6,963,092	3,476,504	6,659,926	3,342,038
Resources deferred during the year	7,284,562	5,158,360	6,828,467	4,391,273
Amounts released from previous periods	(3,520,591)	(1,671,772)	(3,217,425)	(1,073,387)
	10,727,063	6,963,092	10,270,968	6,659,924

Deferred income comprises amounts received for use in future accounting periods.

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

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Bank loans	-	197,871	-	197,871
Other loans	268,125	245,025	268,125	245,025
Other creditors	2,440,152	2,189,196	2,440,152	2,189,196
	2,708,277	2,632,092	2,708,277	2,632,092

Bank loans totaling £nil (2022: £221,858) are secured on the assets to which they relate.

Bank loans include amounts of £nil (2022: £93,671) payable by instalments and due in more than 5 years.

Other creditors, in the group and the company, include unspent capital grants of £2,440,152. Capital grants of £442,157 were received in the year and £147,251 of grants were released.

22. Borrowings

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Bank loans	-	223,508	-	223,508
Other loans	268,125	245,025	268,125	221,925
	268,125	468,533	268,125	445,433

The company had two bank loans, which were fully repaid in the year.

Other loans is a social impact bond liability repayable in full with interest on 1 October 2024. The interest rate is 10.5% pa.

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

23. Provisions for liabilities

Group

	Dilapidations £
Provisions at 1 April 2022	190,324
Additions	598,313
	788,637

The dilapidations provisions is based on the future expected repair costs required to restore the leased buildings to their fair condition at the end of their respective lease terms.

Company

	Dilapidations £
Provisions at 1 April 2022	-
Additions	551,015
	551,015

24. Statement of funds

Statement of funds - current year - Group

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds - Group						
Designated funds						
Fixed Asset Reserve	52,636	-	(38,217)	30,086	-	44,505
General funds						
Unrestricted funds	14,244,928	47,495,136	(46,147,189)	(116,206)	(12,592)	15,464,077
Pension reserve	(129,000)	-	(11,000)		117,000	(23,000)
	14,115,928	47,495,136	(46,158,189)	(116,206)	104,408	15,441,077
Total unrestricted funds	14,168,564	47,495,136	(46,196,406)	(86,120)	104,408	15,485,582

24. Statement of funds (continued)

Statement of funds - current year – Group (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Restricted funds						
Big lottery	73,811	19,143	(19,146)	-	-	73,808
Independent living	16,936	292,103	(300,048)	-	-	8,991
Drugs and alcohol	63,934	27,299,451	(27,316,243)	-	-	47,142
Health young people and families	76,901	237,533	(249,893)	-	-	64,541
Community services	27,068	842,279	(830,896)	-	-	38,451
Criminal Justice	-	446,483	(438,995)	-	-	7,488
Work and skills	-	2,757,743	(2,843,863)	86,120	-	-
Humankind housing	-	49,422	(33,900)	-	-	15,522
Central	-	83,261	(83,261)	-	-	-
Exeter City Council	-	51,254	(51,254)	-	-	-
Sport England	-	4,553	(4,553)	-	-	-
Teignbridge rough sleeper initiative	-	19,604	(19,604)	-	-	-
DWP	-	3,213	(3,213)	-	-	-
Dorset County Council	34,100	544,694	(578,794)	-	-	-
Devon County Council	-	368,438	(368,438)	-	-	-
Torbay and South Devon HNS	-	9,582	(9,582	-	-	-
Recovery fund	3,197	4,745	(2,775)	-	-	5,167
	295,947	33,033,501	(33,154,458)	86,120	-	261,110
Total of funds	14,464,511	80,528,637	(79,350,864)	-	104,408	15,746,692

24. Statement of funds (continued)

Unrestricted funds represent resources available for general work.

Restricted Funds:

Big Lottery - WIFI (main contract)
Aims to improve the lives and well being of people with entrenched multiple needs, who are currently the most disengaged and disconnected from services.

Independent living
Helping vulnerable people in the community who may be homeless, at risk of homelessness or at risk of losing their tenancy. Providing services which support vulnerable people to get the right tenancy for them, and to develop the skills to maintain that tenancy.

Drugs and alcohol
Supporting people to enter recovery oriented drug and alcohol service, choose abstinence, achieve recovery, reduce risk taking behavior and improve local communities. integrated substance misuses service that encourages, supports and empowers individuals to take responsibility and control of their lives.

Health, young people and families
Offering vocational training to young people whom may have left school without any qualifications. Offering support advice to young people with LGBT concerns and interest both personally or within their family.

Community services
Offering vocational training to young people and young adults who have a range of different needs, as well as their carers and their wider families.

Criminal justice
Delivering services to help those who are actively offending, or who have historically offended, to move towards a more positive lifestyle. This includes working in a number of prison establishments across the country.

Work and skills
Offering specialist education and employment services to vulnerable people to identify and address the barriers to their employment, to advocate with employers and to create opportunities which lead to healthier, positive and more stable lives. Overspend has been transferred from unrestricted funds.

Humankind housing
A registered provider of housing offering a solution that means we can provide housing for people with issues often considered by private landlords to be high risk. Humankind Housing has stepped in with a solution that bridges the divide.

Exeter City Council
This fund represents a grant by Exeter City Council for the employment of a specialist navigator for 12 months, under Exeter's award of funding through the Rough Sleeper Rapid Rehousing Pathway programme.

Teignbridge Rough Sleeper Initiative
This fund represents a grant from Teignbridge District Council and South Hams & West Devon Council to contribute towards an outreach service which will work alongside the existing rough sleeper outreach services covering both districts.

Department for Work and Pensions
This fund represents a grant by Department of Working Pensions to provide access to work grants for employees' new work equipment.

24. Statement of funds (continued)

Sport England
This fund represents a three-year grant by Sport England for their Flourish in Nature project using National Lottery funding. Specifically, it is to be used to train up cohorts of volunteer outdoor activity leaders in Devon.

Dorset County Council
Several projects including:
Safeguarding Families Together (SFT) – Funding received from Dorset Council Children's Services to embed the SFT approach. The funding is provided to source three adult workers trained in or with extensive experience of supporting parents with substance misuse problems.

RSDATG – Government funds for local areas to help implement evidence-based drug and alcohol treatment and wrap around support for people sleeping rough or at risk of sleeping rough, including those with co-occurring mental health needs.

SSMTR – Funding allocated by the Office for Health Improvement and Disparities for the improvements of interventions and access to drug treatment for individuals. This is linked to the recommendations made in Professor Dame Carol Black's independent review of drugs.

OPCC - Funds for a Criminal Justice worker from Office of the Police and Crime Commissioner, Devon & Cornwall.

Devon County Council
Several projects including:
RSDATG – Government funds for local areas to help implement evidence-based drug and alcohol treatment and wrap around support for people sleeping rough or at risk of sleeping rough, including those with co-occurring mental health needs.

SSMTR – Funding allocated by the Office for Health Improvement and Disparities for the improvements of interventions and access to drug treatment for individuals. This is linked to the recommendations made in Professor Dame Carol Black's independent review of drugs.

Funding from North Devon Council to provide a full-time Drug & Alcohol specialist attached to the Enhanced Rough Sleeper Service.

Torbay & South Devon HNS Foundation Trust
Funding received from the Torbay Alliance that was implemented to develop and deliver support services for drug and alcohol treatment, domestic abuse and the homeless hostel in Torbay. Using an Alliance model, the focus will be on creating systemic change: changes to culture, funding structures, commissioning and policy which support a new way of working. Together there will be a contractual environment where suppliers share responsibility for achieving outcomes and are mutually supportive, making decisions based on the best outcome for the service user.

Recovery Fund
The Recovery Fund is a pot of monies raised by Service Users, volunteers and staff to purchase items that will enhance and support recovery. Funds are received either from donations to the organisation, or are raised directly by the staff, Volunteer team and Service Users in localised or regional fundraising activities.

24. Statement of funds (continued)

Statement of funds - current year - Charity

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds - Charity						
General funds						
Unrestricted funds	13,327,366	38,697,546	(37,999,733)	(86,120)	(12,592)	13,926,467
Defined benefit pension scheme	(129,000)	-	(11,000)	-	117,000	(23,000)
Total unrestricted funds	13,198,366	38,697,546	(38,010,733)	(86,120)	104,408	13,903,467
Restricted funds						
Big lottery	73,811	19,143	(19,146)	-	-	73,808
Independent living	16,936	292,103	(300,048)	-	-	8,991
Drugs and alcohol	63,934	27,299,450	(27,316,242)	-	-	47,142
Health young people and families	76,901	237,533	(249,893)	-	-	64,541
Community services	27,068	842,279	(830,896)	-	-	38,451
Criminal Justice	-	446,483	(438,995)	-	-	7,488
Work and skills	-	2,757,743	(2,843,863)	86,120	-	-
Humankind housing	-	49,422	(33,900)	-	-	15,522
Central	-	83,261	(83,261)	-	-	-
	258,650	32,027,417	(32,116,244)	86,120	-	255,943
Total of funds	13,457,016	70,724,963	(70,126,977)	-	104,408	14,159,410

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

Statement of funds - prior year - Group

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers In/out £	Gains/ Losses £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
Fixed Asset Reserve	67,123	-	(42,935)	28,448	-	52,636
General funds						
Unrestricted funds	12,499,119	51,944,289	(50,134,974)	(63,506)	-	14,244,928
Defined benefit pension scheme	(172,000)	-	(11,000)	-	54,000	(129,000)
	12,327,119	51,944,289	(50,145,974)	(63,506)	54,000	14,115,928
Total unrestricted funds	12,394,242	51,944,289	(50,188,909)	(35,058)	54,000	14,168,564

24. Statement of funds (continued)

Statement of funds - prior year - Group

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers In/out £	Gains/ Losses £	Balance at 31 March 2022 £
Restricted funds						
Big lottery	73,856	140,875	(140,920)	-	-	73,811
Independent living	23,458	121,948	(128,470)	-	-	16,936
Drugs and alcohol	59,646	14,141,961	(14,137,673)	-	-	63,934
Health, young people and families	78,016	91,554	(92,669)	-	-	76,901
Community services	-	1,389,896	(1,362,828)	-	-	27,068
Criminal Justice	-	217,093	(219,809)	2,716	-	-
Work and skills	-	2,468,509	(2,473,802)	5,293	-	-
Humankind housing	-	57,688	(84,737)	27,049	-	-
Central	-	77,019	(77,019)	-	-	-
Sport England	-	68,135	(68,135)	-	-	-
Teignbridge rough sleeper initiative	-	24,623	(24,623)	-	-	-
Avon and Somerset PCC	-	34,375	(34,375)	-	-	-
Petroc College	-	4,462	(4,462)	-	-	-
Exeter City Council	-	25,861	(25,861)	-	-	-
DWP	-	6,630	(6,630)	-	-	-
Dorset County Council	-	34,100	-	-	-	34,100
Recovery fund	-	3,197	-	-	-	3,197
	234,976	18,907,926	(18,882,013)	35,058	-	295,947
Total of funds	12,629,218	70,852,215	(69,070,922)	-	54,000	14,464,511

24. Statement of funds (continued)

Statement of funds - prior year - Charity

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds - Charity						
General funds						
Unrestricted funds	12,162,996	41,905,136	(40,705,708)	(35,038)	-	13,327,366
Defined benefit pension scheme	(172,000)	-	(11,000)	-	54,000	(129,000)
Total unrestricted funds	11,990,996	41,905,136	(40,716,708)	(35,058)	54,000	13,198,366
Restricted funds						
Big lottery	73,856	140,875	(140,920)	-	-	73,811
Independent living	23,458	121,948	(128,470)	-	-	16,936
Drugs and alcohol	59,646	14,268,036	(14,263,748)	-	-	63,934
Health young people and families	78,016	91,554	(92,669)	-	-	76,901
Community services	-	1,389,896	(1,362,828)	-	-	27,068
Criminal Justice	-	217,093	(219,809)	2,716	-	-
Work and skills	-	2,338,799	(2,343,111)	4,312	-	-
Humankind housing	-	34,242	(38,167)	3,925	-	-
Central	-	29,998	(29,998)	-	-	-
	234,976	18,632,441	(18,619,720)	10,953	-	258,650
Total of funds	12,225,972	60,537,577	(59,336,428)	(24,105)	54,000	13,457,016

25. Analysis of net assets between funds - Group

Analysis of net assets between funds - current year

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Tangible fixed assets	7,579,441	2,759,643	10,339,084
Fixed asset investments	1,987,408	-	1,987,408
Current assets	17,979,750	7,422,888	25,402,638
Creditors due within one year	(11,249,380)	(7,213,144)	(18,462,524)
Creditors due in more than one year	-	(2,708,277)	(2,708,277)
Pension liability	(23,000)	-	(23,000)
Provisions for liabilities and charges	(788.637)	-	(788,637)
Total	15,485,582	261,110	15,746,692

Analysis of net assets between funds - prior year

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Tangible fixed assets	6,827,172	2,708,157	9,535,329
Fixed asset investments	1	-	1
Current assets	16,401,121	5,164,090	21,565,211
Creditors due within one year	(8,542,535)	(5,142,079)	(13,684,614)
Creditors due in more than one year	(197,871)	(2,434,221)	(2,632,092)
Pension liability	(129,000)	-	(129,000)
Provisions for liabilities and charges	(190,324)	-	(190,324)
Total	14,168,564	295,947	14,464,511

26. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	Group 2022 £
Net income for the year (as per Statement of Financial Activities)	1,282,181	1,781,293
Adjustments for:		
Depreciation charges	955,387	860,065
Impairment of tangible assets	176,652	-
Change in market value of investments	12,592	-
Profit on sale of tangible assets	(33,950)	-
Investment income	(124,188)	(470)
Decrease in stocks	10,535	7,469
Increase in debtors	(4,088,181)	(3,747,899)
Increase in creditors	5,077,604	3,165,126
Increase in provisions	598,313	147,406
Movement on pension scheme liability	(106,000)	11,000
Net cash provided by operating activities	3,760,945	2,223,990

27. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	10,981,682	(240,219)	10,741,463
Borrowings excluding overdrafts	(223,508)	223,508	-
	10,758,174	(16,711)	10,741,463

28. Pension commitments

The group operates a number of pension schemes.

Humankind Limited, More Time (UK) and EDP Drug and Alcohol Services operate defined contribution schemes, the pension charge represents the amounts payable by the group to the fund in the accounting period. The assets of the schemes are held separately from the group in independently administered funds. Costs charged to income and expenditure for the year were £1,338,541 Amounts due to the scheme at the year-end were £243,554 (2022 - £183,798).

Both EDP Drug and Alcohol Services and Humankind contribute to the NHS Pension scheme. Although the scheme provides defined benefits to members, it is an unfunded multi-employer scheme, with no ongoing liability for the group beyond the level of employer contributions specified by the scheme. Accordingly, it is accounted for as a defined contribution scheme. Costs charged to income and expenditure for the year were £270,737. Amounts due to the scheme at the year-end were £331,794 (2022 - £168,853).

28. Pension commitments (continued)

The group also has two members of staff who are members of the West Yorkshire Pension Fund, a Local Government Pension Scheme (LGPS). This is a defined benefit scheme. The group has obtained an LGPS valuation as at 31 March 2023. The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee administered funds. The total contribution made for the year ended 31 March 2023 were £8,000 (2022 - £9,000), of which employer's contributions totalled £6,000 (2022 - £7,000) and employees' contributions totaled £2,000 (2022 - £2,000). The agreed contribution rates for future years are 18.6% for employers and 5.5% - 10.5% for employees.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2023	2022
	%	%
Discount rate	4.50	2.70
Future salary increases	3.85	4.05
Future pension increases	2.60	2.80
CPI inflation	2.60	2.80

	2023	2022
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	21.6	21.8
- at 65 for a male aged 45 now	22.9	22.5
- for a female aged 65 now	24.6	24.6
- at 65 for a female aged 45 now	25.7	25.7

The Group's share of the assets in the scheme was:

	2023	2022
	£	£
Equities	136,000	128,000
Gilts	12,000	12,000
Corporate bonds	8,000	8,000
Property	6,000	6,000
Cash and other liquid assets	4,000	5,000
Other	4,000	2,000
Total fair value of assets	170,000	161,000

The actual return on scheme assets was £1,000 (2022 - £13,000).

	2023	2022
	£	£
Current service cost	13,000	15,000
Interest income	(4,000)	(3,000)
Interest cost	8,000	7,000
Total amount recognised in the income statement	17,000	19,000

28. Pension commitments (continued)

Amounts recognised in comprehensive income

	2023	2022
	£	£
Asset gains/(losses) arising during the period	(3,000)	10,000
Actuarial gains/(losses)	120,000	44,000
Total amount recognised in the Consolidated statement of financial activities	117,000	54,000

The amounts included in the statement of balance sheet arising from the group's obligations in respect of defined benefit plans are as follows:

	2023
	£
Present value of defined benefit obligation	(193,000)
Fair value of plan assets	170,000
Deficit in scheme	(23,000)

Movements in the present value of the defined benefit obligation were as follows:

	2023	2022
	£	£
Opening defined benefit obligation	290,000	304,000
Contributions by scheme participants	2,000	2,000
Current service cost	13,000	15,000
Interest cost	8,000	7,000
Actuarial (gains)/ losses	(120,000)	(44,000)
Adjustment to prior year by actuary	-	6,000
Closing defined benefit obligation	193,000	290,000

Movements in the fair value of the Group's share of scheme assets were as follows:

	2023	2022
	£	£
Opening fair value of scheme assets	161,000	139,000
Expected return on assets	4,000	3,000
Contributions by scheme participants	2,000	2,000
Contributions by employer	6,000	7,000
Actuarial gains	(3,000)	10,000
Closing fair value of scheme assets	170,000	161,000

29. Operating lease commitments

At 31 March 2023 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Not later than 1 year	1,658,645	1,694,324	1,535,827	1,531,627
Later than 1 year and not later than 5 years	2,922,439	3,148,487	2,635,653	2,748,347
Later than 5 years	886,267	1,194,054	886,267	1,194,054
	5,467,351	6,036,865	5,057,747	5,474,028

30. Related party transactions

During the period management charges and other recharges of £194,373 (2022: £168,554) were charged to E D P Drug & Alcohol Services, an entity under the control of Humankind Charity. At the year end there was an amount of £229,310 (2022: £100,222) due to Humankind Charity.

During the period there were sales of £12,149 (2022: £7,710) and purchases of £429,549 (2022: £367,787) to/from More Time (UK) Limited, an entity under the control of Humankind Charity. At the year end there was an amount of £175,582 (2022 £192,878) due to Humankind Charity. The amounts due from More Time (UK) Limited is net of a bad debt provision of £107,805 (2022: £107,805). Included in the amounts due from More Time (UK) Limited is a loan of £90,485 (2022: £104,116) on which interest is charged at 2% pa.

31. Events after the reporting date

On 1 July 2023 the E D P Drug & Alcohol Services, a subsidiary, transferred all of its activities, assets and liabilities to the Humankind Charity. From that date, the subsidiary has ceased operations.

Waythrough

England & Wales - Charity number 515755

Accounts

Registered number: 01820492
Charity number: 515755

HUMANKIND CHARITY

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

HUMANKIND CHARITY
(A company limited by guarantee)

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HUMANKIND CHARITY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2022

Trustees

J Black, Chair (resigned 31 March 2022)
J E Bilbie
A Boyt
IR Dewhirst
E Feltin, Vice Chair
JR Foyle
CL Gitsham, Chair (appointed as Chair with effect from 1 April 2022)
VJ Holmes (resigned 7 February 2022)
C G Matthews-Maxwell
I McQueen
S Shepherd
IK Brawn (appointed 9 September 2021, resigned 7 October 2021)
S Douglas (appointed 28 September 2021)
M W Treasure, Treasurer (resigned 27 September 2021)

Key Management Personnel

Paul Townsley – Chief Executive Officer
Ted Haughey – Executive Director
Anna Hedley – Executive Director
Evan Chiswell – Executive Director
Roya Vaziri – Executive Director
Karen Tyrell – Executive Director (resigned 19 August 2022)
Manish Nanda – Executive (resigned 30 June 2022)

Company Registered Number

01820492

Charity Registered Number

515755

Registered Social Landlord Registered Number

4713

Registered Office

Inspiration House
Unit 22
Bowburn North Industrial Estate
Bowburn
Durham
DH6 5PF

Company Secretary

C Horner

Chief Executive Officer

P Townsley

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Independent Auditors

RSM UK Audit LLP
Chartered Accountants
1 St. James Gate
Newcastle uponTyne
United Kingdom
NE1 4AD

Bankers

Barclays Bank
49-51 Northumberland.Street
Newcastle upon Tyne
NE1 7AF

Solicitors

Womble Bond Dickinson LLP
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

HUMANKIND CHARITY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of the Group and Charity for the year ended 31 March 2022. The Annual report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable group and company comply with the current statutory requirements, the requirements of the charitable group and company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Structure, governance and management

Governing document

Humankind Charity (Humankind) is a charity and company limited by guarantee – incorporated on 30 May 1984 and registered as a charity on 5 November 1984.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the Trustees are elected at the Annual General Meeting (AGM). Under the Articles, trustees are to be appointed for a three year term and may serve in office for a maximum of nine years (i.e. 3 terms).

The Trustees reviewed Humankind's Memorandum and Articles in the light of changes to Charity and Company law and made amendments in 2022. Key changes were to the length of term in office.

Recruitment, training and appointment of Trustees

The management of the Group and Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Board protocol.

Humankind's governing body is a voluntary Board of Trustees, each of whom sits independently and do not represent any other agencies. The Trustees who held office during the 2021/22 financial year and at the time of writing this report are set out on page 1.

Members of the Board of Trustees meet quarterly and do not receive any remuneration. Where claimed, expenses are reimbursed. Travel expenses of £1,940 were reimbursed during this financial year.

A subcommittee structure is in operation, which allows for greater scrutiny of our finances (including other corporate functions), governance and innovation.

The sub-committees currently meet quarterly in advance of the Board Meeting and comprise of:

- Resources
- Housing
- Work & Skills
- Quality & Performance

Trustees are recruited using advertisements with potential trustees being invited to complete an application form. Humankind recruits Trustees who are able to offer a wide range of experience for the benefit of the group expertise include business, marketing, education and quality. A panel of Trustees, together with the chief executive, meet with applicants to discuss Humankind's aims and objectives, outline their responsibilities as Trustees and ensure that they there are no conflicts of interest and to answer any questions that applicants may have.

Successful candidates are then invited to join the Board of Trustees as lay members for a period of induction between three and six months. During this time, they are required to visit a number of Humankind's projects, view presentations and discuss key issues with other Board members and employees of the organisation.

Structure, governance and management (continued)

Recruitment, training and appointment of Trustees (continued)

Once the induction process is complete applicants are invited to join the Board as Trustees. Trustee's training is an ongoing process via courses, presentations, events, visits and Away Days.

Trustees undertake mandatory training annually, including Information Governance, Safeguarding and Equality Diversity and Inclusion. Regular skills audits and governance reviews also take place to ensure our trustee board has the requisite skills and attributes required to oversee our charity.

Management structure

The Board of Trustees are responsible for the strategic direction and policies of the organisation and are actively involved in the business planning. The Trustees monitor compliance with the business plan by monitoring key performance indicators set out in the plan. The Trustees also review management accounts on a monthly basis against financial projections which are produced at least twice yearly - to reflect the activities in the business plan.

The Chair of Trustees provides supervision and support for the Chief Executive. Responsibility for the day to day running of the company lies with the Chief Executive along with the Executive Directors -The Executives meet monthly with the Operational Directors who are responsible for the operational delivery units which deliver Humankind services.

Pay policy for key management personnel

Key management personnel pay review is undertaken by the Board of Trustees, who assess and review competencies of those staff members. This review is undertaken on an annual basis and increments applied following approval by the Board of Trustees. Humankind has a pay policy in place which is available for review by the whole workforce. Our approach to pay, and wider terms and conditions are reviewed annually as outlined in this policy.

Related party relationships

More Time (UK) Limited is a wholly owned subsidiary company which was established to carry on trading activities complementing the work of Humankind Charity. Further details are stated in Note 31 to the financial statements.

EDP (formerly Exeter Drug Project) joined together with Humankind in April 2020 in a subsidiary merger. EDP retains many of its own processes, systems and brand but together with Humankind addresses health and social inequalities for those with substance misuse concerns across the South West. We have a shared the vision for people of all ages to be safe, building ambitions for the future and reaching towards their full potential. EDP is a company limited by guarantee and Humankind is the sole company member.

Risk strategy

The risk management strategy and risk registers are in place to review, evaluate and minimise any risks facing the organisation. The strategy covers insurance plans, financial risks, media, health & safety, IT, archiving and reconstruction of records, staff and service user safety, information governance, clinical governance and disaster recovery plans. The strategy is reviewed quarterly by the Quality and Performance Subcommittee of the main Board and is then discussed at the main Board Meeting. Quality systems and audit checks are embedded in our service delivery and we comply with the various audit frameworks including Care Quality Commission (CQC), Ofsted, IIP and Matrix and Governance and Financial Standard of the Regulatory Framework.

The principal risks and uncertainties we face include: reduced viability of contracts and continuing cost pressures; the need for a skilled and committed workforce who we need to ensure feel motivated and part of Humankind; ever-changing and demanding inspection standards and demanding contract targets and outcomes. Management strategies include stringent vetting of bids and any potential liabilities they may bring; consulting with staff and implementing a strong induction program as well as reviewing our vision, mission and values with staff; employing an experienced Quality team to work with Directors and staff to embed, monitor and address contractual performance and quality standards. Our work going forward into 2022/23 will again build on the strong foundations already laid.

Structure, governance and management (continued)

Employees with disabilities

The organisation fully complies with the Equality Act 2010. We have achieved Level 2 Disability Confident Employer and display an Equality, Diversity and Inclusion statement of intent on our website. Humankind does not discriminate against employees because of mental or physical disability.

Public benefit

From 1 April 2008, section 4 of the Charities Act 2011 requires all charities to meet the legal requirement that its aims be for the public benefit. The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit.

The Charity Commission states that there are two principles to be met in order to show that an organisation's aims are for the public benefit; firstly, there must be an identifiable benefit or benefits and secondly that the benefit must be to the public, or a section of the public. The Trustees are satisfied that the aims and objectives of the charity, and the activities reported on above, meet these principles.

Plans for future periods

Humankind has continued to grow and improve the quality of the work we do delivering health and social care services over the course of this year. 2022/23 is the final year in our current five year strategy cycle, and involves us delivering more fully on our vision – this has meant a relentless focus on improving both the quality of our services and our infrastructure whilst expanding our scale and scope to truly become a national organisation.

Having invested in our infrastructure to be fit to deliver services nationally and grown our ability to influence the systems within which we operate, we are now in a position to significantly improve the impact of our work. Within our next strategy, we will hold true to our core values and beliefs whilst working in close partnership and collaboration with others, listening carefully to the people who use our services, our workforce and wider stakeholders; and continually improving our service delivery to provide better outcomes.

Following wide consultation to develop our new strategy and establishment of the key messages and themes from our service users, staff and stakeholders, as the strategy fully takes shape it will help us to build stronger, more collaborative networks, and deliver on our desire to support those with multiple and complex needs who are often left behind by wider society. This will involve the development of new models and networks and ensuring that we best use the platform we have to further influence broader change within our core sectors. Additionally, we will consider our approach to best support our service users and staff during the cost of living crisis. Finally, we will continue to ensure we have the right people, with the right skills, attributes and professional qualifications to deliver our complex health and social care services effectively.

Objectives and activities

Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'

Summary of Humankind's areas of work

Humankind create services to meet people's complex health and social needs, helping them to build happier and healthier lives. We are a national charity with close to 1,500 staff and around 100 volunteers providing services for over 85,000 people. Our specialist services are across the North East, Yorkshire and Humber, the North West, Staffordshire, London and the South. These include drug and alcohol, clinical, children,

Structure, governance and management (continued)

young people and families, health and wellbeing, employment, training and education, criminal justice and offender rehabilitation, gender specific and housing support services.

Our vision is for people of all ages to be safe, building ambitions for the future and reaching towards their full potential. We support local people to create stronger, better-connected communities.

Health and Wellbeing services including drug and alcohol treatment

We see it as vital that the people that use our services, their families and their communities are healthy. Our health services range from lifestyle or behavioural advice through to clinical delivery, and have a national footprint.

We deliver high quality substance misuse services which reduce harm, support behaviour change, promote recovery and offer comprehensive wraparound support for adults and young people.

People who use our services can access brief interventions, harm reduction services and structured treatments for substance misuse issues. The recovery journey also draws upon our charity's expertise in community and family work, residential rehabilitation, and employment support.

We use a range of psychosocial intervention methods and models. They include Motivational Interviewing, Cognitive Behaviour Therapy and Neuro-linguistic Programming, as well as Systemic Families Therapy models, all of which are used across our services.

We also provide mental health services including early intervention activity.

Housing and Independent Living

Our Housing and Independent Living services involve Humankind being a Registered Provider, offering housing and property management/services and also services which support vulnerable people to get the right tenancy for them, and to develop the skills to maintain that tenancy.

Young People and Families

Humankind offers support to vulnerable young people and young adults who have a range of different needs, and also to their carers and their wider family.

Criminal Justice

We deliver services to help those who are actively offending, or who have historically offended, to move towards a more positive lifestyle. This includes working in a number of prison establishments across the country.

Work & Skills

Humankind offers specialist education and employment services. Our provision gives vulnerable people the valuable opportunity to identify and address the barriers to their employment with employers and to create opportunities which lead to healthier, positive and more stable lives.

As a Board of Trustees, we have been hugely impressed with the continuing focus on safe service delivery and quality improvement over the last year – noting our outstanding CQC reports in several areas of the country.

Our Impact

Examples of our impact in 2021/22 include:

Organisation-wide:

- Humankind supported 90,264 people across our services
- Volunteers across our services gave a total of 12,829 hours; an average of 246 hours for each week of the year
- A total of 2257 responses were received from people who access our services, who provided the following feedback:
- 97% felt respected by our staff
- 95% felt staff had the right skills to support them to achieve their goal
- 95% felt that they received the support they needed from us

Work & Skills:

- Humankind supported 1,202 individuals within our Work & Skills services
  Our Steps for Success Service during 21/22 achieved:
- 100% of learners passed their main qualification
- 100% of learners reported feeling safe at the Education Centre
- 100% of learners agreed or strongly agreed that they got on well with their teachers
- 92% attendance rate

Independent Living & Housing:

- In 2021/22 our independent living services supported 1773 people.
- 633 people (90%) receiving 'floating support' were successfully supported to obtain accommodation or to keep their existing tenancy when it was under threat.
- 902 people were supported to leave our services in a supported, planned way and successfully achieved 91% of their desired outcomes
- 950 were supported to develop confidence and the ability to have greater choice or control.
- 583 were supported to better manage their mental health.
- 659 were supported to better manage their physical health.
- 246 were supported to better manage their overall debt.
- 111 were supported to participate in training /education.
- 89 were supported to obtain employment.

Drug and Alcohol Recovery:

- 6,353 adults exited our services in a positive, planned way having achieved abstinence or reduced their use - a 45% increase on 2020/21
- On average, 21 people successfully complete treatment from our services drug or alcohol free each day
- Forward Leeds and County Durham Recovery Services have recently been awarded 'Outstanding' ratings by the Care Quality Commission. Humankind now has 3 services rated as 'Outstanding' and 5 services rated as 'Good'
- 6,917 Naloxone kits were given out to people accessing our Drug & Alcohol services - a 158% increase on the previous year
- 4,642 Hepatitis C tests have been carried out with people accessing our Drug & Alcohol Services
- 227 people have successfully completed Hepatitis C treatment
- 9,150 (58%) individuals reported an improvement in psychological health
- 8,084 (52%) reported improved physical health
- 8,976 (57%) said their Quality of Life had improved

Strategic report

Achievements and performance

Financial review

Our focus this year has been to strengthen and consolidate our financial position. In spite of the pandemic and additional costs this attracted, we further strengthened our group position. We have monitored potential and actual costs closely to ensure that we continued to meet our charitable objectives as well as strengthening our position for the future. We have also been successful in attracting new business to the group which too, has contributed to the positive result in the year.

The majority of our funding is still obtained by tendering for the delivery of our specialist services. Our funders include Local Authorities, CCG's, Skills Funding Agency, the Big Lottery, DWP and charitable grants and donations.
Total group income for the year was £70.9m, representing an increase in income of 9% on 2020/21 with a group surplus of funds excluding advanced gains totaling £1.8m.

Total group funds carried forward of £14.5m comprise group unrestricted funds totaling £14.3m and restricted funds totaling £295k.

Restricted funds relate to unspent elements of funds received for restricted purposes that will be utilised in future years.

In year, Humankind purchased services from More Time (UK) Limited to the value of £367,787, relating to premises cleaning work. This represents 80% of More Time's income for the year. More Time has made a surplus of £35,729 in the year.

We have continued to exercise tight financial controls over cash flow and to retain a high level of liquidity that is adequate for us to service our existing commitments and to invest in our growth areas.

Reserves policy

Following the review of our reserves policy in 2019/20, the target reserves was set at an equivalent to one month of total resources expended.

This level of reserves will provide a buffer to enable the organisation to make provisions for the loss of a major service whilst maintaining effective management and administration of the charity. These reserves also provide working capital to enable development of service provision.

Based on this, target reserves for year ended 31 March 2022 is £5.8m. The actual free reserves balance for year ended 31 March 2022 is £7.4m, which exceeds our target level. We continue to review the requirements for setting an appropriate reserves policy, to ensure we are able to continue to meet our charities aspirations in the future.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Group and Charity have adequate resources to continue operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Strategic report (continued)

Engagement with employees and employment of those with disabilities

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Charity carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Charity has implemented a number of detailed policies in relation to all aspects of personnel matters including:

Equal opportunities policy
Volunteers' policy
Health & safety policy

In accordance with the Charity's equal opportunities policy, the Charity has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Charity's offices.

Greenhouse gas emissions, energy consumption and energy efficiency action

UK Greenhouse gas emissions and energy use data for the period 1 April 2021 to 30 March 2022.

Energy consumption breakdown (kWh):

Natural Gas for Heating	-	2,330,087 kWh (427 tonnes CO2e)
Electricity	-	952,980 kWh (220 tonnes CO2e)
Transport	-	726,158 kWh (179 tonnes CO2e)
Total	-	4,009,225 kWh (826 tonnes CO2e)

The data and information contained in the document is calculated and reported in line with the methodology set out in the UK Governments Environmental Reporting Guidelines, March 2019.

An operational approach has been used to define the Greenhouse Gas emissions boundary. This approach captures emissions associated with the operation of all buildings within the scope of the regulation, plus transport; company-owned, leased and private vehicles used for business travel.

The carbon and energy consumption associated with the operation of buildings includes the consumption electricity and gas, in those instances where Humankind have direct responsibility for paying for the electricity and gas consumption, through a metering and utility invoices.

In other circumstances, where Humankind is a tenant in a building, for which they have no maintenance or operation control, for example control over the infrastructure or building service, or where they operate managed services, energy consumption has been included in those instances it is considered material to the environmental impact of the Charity i.e. where energy consumption is a significant percentage of the total Estate or where it can be affected by Humankind.

Strategic report (continued)

This approach reflects the complexity of the Humankind Estate and often-complicated arrangements between landlord, tenant and project funder, where the utility invoices are not directly paid by Humankind. For example, Humankind operate as a social landlord, where a property may be rented but a tenant installed. The tenant is ultimately responsible for controlling consumption and the landlord for the building's infrastructure, services and maintenance. Other examples include where the charity manages a commissioned service, where staffed services are provided only, with Humankind having no responsibility for maintenance, nor the ability to improve the building infrastructure, services or energy efficiency, often these examples have the cost of utilities recharged to the funder.

Approximately 11% of electricity data and 36% of gas data is based on estimated data due to the availability of meter readings and data, this is deemed permittable with the guidelines.

Emissions have been calculated using the latest conversion factors provided by the UK Government. There are no material omissions from the mandatory reporting scope.

The reporting period is April 2021 to March 2022, in accordance with the financial reporting period.

Post-pandemic Humankind has adopted a work life balance policy that has resulted in an increase in hybrid working with more staff working from home whilst maintaining service delivery standards. However, post pandemic travel has increased and as such emissions have increased in this area.

Humankind has installed electric car charging points at our head office in Inspiration House, Bowburn and will increasingly prefer leasing or purchasing hybrid vehicles, for example the recent procurement of a Hybrid IT van.

Humankind has continued to invest in energy efficiency during refurbishments.

In accordance with the legislation, an intensity ratio has been calculated. This expresses the business' annual emissions in relation to a quantifiable factor or normaliser. The intensity ratio calculated for Humankind is **11.7 tonnes CO2 per £m revenue and is 71% higher than last year.**

The increase in emissions is due to several factors; an increase in business travel post-covid, improvement in the way energy consumption is assessed and measured, increase in the size of the estate.

Value for money statement

Humankind is committed to delivering Value for Money (VfM) as an integral part of its business strategy.
The aims and objectives of VfM will be incorporated within each Service Delivery Units (SDU) Business Plans and will be imbedded across all areas of service delivery.

It is our aim to continually assess opportunities to enhance our services and actively involve our employees, service users and partners to achieve value for money.

We will continually seek value by sourcing the best materials at the best price. We will always look to make our services work more efficiently and effectively.

Strategic report (continued)

To meet our commitment to achieving VfM, Humankind has set itself the following objectives:

- Integrate VfM principles throughout the organisation
- Incorporate VfM within everything we do
- Avoid duplication and simplify processes
- Identify ineffective processes and implement appropriate changes
- Adopt recognized good practices to identify VfM opportunities and procedures
- Seek innovative methods to achieve VfM both in value and savings
- Respond to opportunities that enhance our VfM objectives
- Ensure all staff recognise how their actions impacts on VfM
- Promote VfM across our services, with service users, partners and Boards
- Build strong partnerships with suppliers and contractors
- Seek continuous improvement to achieve efficiency

Value for Money Metrics as at 31 March 2022

		2022	2021
Metric 1	Reinvestment %	**14.1%**	18.2%
Metric 2A	New supply delivered % (social housing units)	**7%**	8.4%
Metric 2B	New supply delivered % (non-social housing units)	**N/A**	N/A
Metric 3	Gearing %	**-22.7%**	-23%
Metric 4	EBITDA MRI interest cover %	**6,309%**	17,152%
Metric 5	Headline social housing cost per unit	**£8,639**	£8,797
Metric 6A	Operating margin % (social housing lettings only)	**9%**	4.3%
Metric 6B	Operating margin % (overall)`	**2.6%**	4.5%
Metric 7	Return on capital employed	**10.21%**	19.3%

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Housing SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

On 17 November 2021, RSM UK Audit LLP were appointed as auditor to the group and company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of information

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that;

- So far as the Trustee is aware, there is no relevant audit information of which the charities auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information

Approved by order of the members of the board of Trustees on 23/9/22 and signed on their behalf by

Clerkham.

(Chair of Trustees)

Opinion

We have audited the financial statements of Humankind Charity (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities (incorporating the income and expenditure account), consolidated and charity balance sheets, consolidated statement of cash flows 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 company's affairs as at 31 March 2022 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

Respective responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the Trustees (who are also the directors of the 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 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 the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 and component auditors:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent 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, the Companies Act 2006, Charities Act 2011, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are Health and Safety at Work Act 1974, Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards) and the Care Quality Commission Standards. 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 licensing or 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 substantive tests of detail to ensure that revenue was appropriately recognized in the year.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at: https://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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK AUDIT LLP

Lucy Robson (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
United Kingdom, NE1 4AD
Date 29/09/22

HUMANKIND CHARITY
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	**31,971**	**91,848**	**123,819**	77,916
Charitable activities	5	**51,882,315**	**18,816,078**	**70,698,393**	64,970,258
Other trading activities	6	**19,182**	**-**	**19,182**	56,089
Investments	7	**470**	**-**	**470**	863
Other income		**10,351**	**-**	**10,351**	7,854
		51,944,289	**18,907,926**	**70,852,215**	65,112,980
Total Expenditure on:					
Raising funds		**353,737**	-	**353,737**	251,347
Charitable activities	8	**49,835,172**	**18,882,013**	**68,717,185**	61,875,069
Other expenditure	9	**-**	**-**	**-**	(1,032,828)
Total expenditure		**50,188,909**	**18,882,013**	**69,070,922**	61,093,588
Net income		**1,755,380**	**25,913**	**1,781,293**	4,019,392
Transfers between funds	25	**(35,058)**	**35,058**	**-**	-
Net movement in funds before Other recognised gains		**1,720,322**	**60,971**	**1,781,293**	4,019,392
Other recognised gains:					
Actuarial gains on defined benefit pension schemes	29	**54,000**	**-**	**54,000**	(60,000)
Net movement in funds		**1,774,322**	**60,971**	**1,835,293**	3,959,392
Reconciliation of funds:					
Total funds brought forward		**12,394,242**	**234,976**	**12,629,218**	8,669,826
Net movement in funds		**1,774,322**	**60,971**	**1,835,293**	3,959,392
Total funds carried forward		**14,168,564**	**295,947**	**14,464,511**	12,629,218

HUMANKIND CHARITY

REGISTERED NUMBER: 01820492

(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	£	2022 £	£	2021 £
Fixed assets					
Intangible assets	16		-		-
Tangible assets	17		**9,535,329**		8,517,543
Investments	18		**1**		1
			9,535,330		8,517,544
Current assets					
Stocks	19	**121,674**		129,143	
Debtors	20	**10,461,855**		6,713,956	
Cash at bank and in hand		**10,981,682**		10,669,327	
		21,565,211		17,512,426	
Creditors: amounts falling due within one year	21	**(13,684,614)**		(10,830,132)	
Net current assets			**7,880,597**		6,682,294
Total assets less current liabilities			**17,415,927**		15,199,838
Creditors: amounts falling due after more than one year	22		**(2,632,092)**		(2,355,702)
Provisions for liabilities	24		**(190,324)**		(42,918)
Net assets excluding pension liability			**14,593,511**		12,801,218
Defined benefit pension scheme liability	29		**(129,000)**		(172,000)
Total net assets			**14,464,511**		12,629,218
Charity funds					
Restricted funds	25		**295,947**		234,976
Unrestricted funds					
Unrestricted funds excluding pension asset	25	**14,297,564**		12,566,242	
Pension reserve	25	**(129,000)**		(172,000)	
Total unrestricted funds	25		**14,168,564**		12,394,242
Total funds			**14,464,511**		12,629,218

The financial statements were approved and authorised for issue by the Trustees on 23/9/22 and signed on their behalf by

C Whitsham

(Chair of Trustees)

HUMANKIND CHARITY
(A company limited by guarantee)

REGISTERED NUMBER: 01820492

CHARITY BALANCE SHEET AS AT 31 MARCH 2022

	Note	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	17		**9,482,693**		8,450,420
Investments	18		**1,032,830**		1,032,830
			10,515,523		9,483,250
Current assets					
Stocks	19	**117,546**		128,278	
Debtors	20	**9,414,214**		6,199,624	
Cash at bank and in hand		**8,673,788**		8,832,719	
		18,205,548		15,160,621	
Creditors: amounts falling due within one year	21	**(12,502,963)**		(9,890,197)	
Net current assets			**5,702,585**		5,270,424
Total assets less current liabilities			**16,218,108**		14,753,674
Creditors: amounts falling due after more than one year	22		**(2,632,092)**		(2,355,702)
Net assets excluding pension liability			**13,586,016**		12,397,972
Defined benefit pension scheme liability	29		**(129,000)**		(172,000)
Total net assets			**13,457,016**		12,225,972
Charity funds					
Restricted funds			**258,650**		234,976
Unrestricted funds					
Unrestricted funds excluding pension liability		**13,327,366**		12,162,996	
Pension reserve		**(129,000)**		(172,000)	
Total unrestricted funds			**13,198,366**		11,990,996
Total funds			**13,457,016**		12,225,972

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

As permitted by s408 of the Companies Act 2006, the charity has not presented its own statement of financial activity and related notes as it prepares group accounts. The charity's surplus for the period was £1,231,044 (2021: £3,366,083) of which £1,207,370 was unrestricted (2021: £3,304,748) and £23,674 (2021: £61,335) was restricted.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 23/9/22 and signed on their behalf by:

(Chair of Trustees)

HUMANKIND CHARITY
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	27	**2,223,990**	7,690,144
Cash flows from investing activities			
Dividends, interests and rents from investments		**470**	14,188
Purchase of tangible fixed assets		**(1,877,851)**	(1,889,718)
Proceeds from sale of investment		**-**	35,000
Net cash used in investing activities		**(1,877,381)**	(1,840,530)
Cash flows from financing activities			
Repayments of borrowing		**(34,254)**	(31,247)
Net cash (used in) by financing activities		**(34,254)**	(31,247)
Change in cash and cash equivalents in the year		**312,355**	5,818,367
Cash and cash equivalents at the beginning of the year		**10,669,327**	4,850,960
Cash and cash equivalents at the end of the year		**10,981,682**	10,669,327

The notes on pages 23 to 54 form part of these financial statements

1. Accounting policies

1.1 General information

The charity is a company limited by guarantee and is registered and incorporated in England and Wales. The registered office is Inspiration House, Unit 22, Bowburn North Industrial Estate, Bowburn, Durham, DH6 5PF. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The groups objectives are included in the trustees report.

1.2 Basis of preparation of financial statements

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and they comply with the Accounting Direction for Private Registered Providers of Social Housing 2019, and under the historical cost convention.

Departure from the SORP

The following statements and notes to the accounts have been included in order to comply with the 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):

- The Statement of Financial Activities in place of the Statement of Comprehensive Income.
- Income and expenditure notes to include reference to unrestricted and restricted expenditure
- Statement of funds
- Analysis of net assets between funds

Humankind Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

Reduced disclosure

The charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The charity has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – presentation of a statements of cash flow and related notes and disclosures;

1. Accounting policies (continued)

1.3 Basis of consolidation

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

1.4 Going concern

The Board of Trustees has reviewed the group's activities, financial position and risk management policies together with the charity's forecasts to March 2023 and beyond including the impact of economic uncertainty on contract income and service delivery.

Our Trustees have concluded that it is reasonable to expect Humankind Charity to have adequate resources to continue in operation for the foreseeable future. Accordingly, the going concern basis of accounting continues to be adopted in preparing the financial statements.

1.5 Income

Voluntary income is received by way of donations and is included in full in the Statement of Financial Activities when there is evidence of entitlement, receipt is probable and its amount can be measured reliably.

Income from charitable activities includes income recognised as earned where the related services are provided under contract or where entitlement to grant funding is subject to specific performance conditions. Grant income included in funding is subject to specific performance conditions. Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Income from other trading activities is revenue from contracts for the provision of services and is recognised at the fair value of the consideration received or receivable for the provision of services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Income is deferred where grants have been received for a future period and is released to incoming resources in the period for which it has been received.

Grants received for the purchase of fixed assets are recognised in full when received in the Statement of Financial Activities.

Investment income is recognised on a receivable basis. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Property rental income represents all rental and service charge receivable when it falls due and amortised capital grant.

All incoming resources are included gross and no expenditure has been netted off from the income.

1. **Accounting policies (continued)**

1.6 Expenditure

Expenditure is recognised on an actual basis when a liability is incurred. Expenditure is net of recoverable VAT where conditions for recovery are met. All other expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprises the support costs from central functions associated with attracting voluntary income.

Charitable group expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable group activities. Governance costs are those incurred in connection with administration of the charitable group and compliance with constitutional and statutory requirements.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance, finance, information technology, human resources and quality. These costs have been allocated to expenditure on charitable activities.

Charitable activities and Governance costs are costs incurred on the charitable group's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.8 Taxation

Humankind Charity and E D P Drug & Alcohol Services are registered charities and as such are exempt from tax on income and gains falling within Chapter 3 Part II Corporation Tax Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable object. The Group's trading subsidiary, More Time (UK) Limited is liable to corporation tax on their trading profits.

1.9 Intangible assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, which is 5 years.

Amortisation has been fully provided within the year.

1. **Accounting policies (continued)**

1.10 Tangible fixed assets and depreciation

Social housing properties for letting

Housing properties are stated at cost less accumulated depreciation.

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

Freehold housing properties are depreciated by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

Component	
Structure	75 years
Roof	45 years
Kitchen	20 years
Bathroom	30 years
Heating system	30 years
Windows	30 years
Electrical	30 years
Doors	20 years
Boiler	15 years

At each reporting date the Charitable group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The charity has changed it's estimation basis on the above UELs from the previous year, further details are included in note 2.

1. **Accounting policies (continued)**

1.10 Tangible fixed assets and depreciation (continued)

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% - 50% on cost
Long term leasehold	- in line with lease agreement
property Motor vehicles	- 20% - 33.3% on cost
Fixtures and fittings	- 20% - 50% on cost
Computer equipment	- 20% - 33.3% on cost

Social housing grant

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised over the estimated useful life of the asset structure, under the accruals model.

On disposal of properties which have been wholly or partly by Social Housing Grant, the grant is recycled as required by the Homes and Communities Agency, and will be utilised against future approved projects.

Recycling of capital grants

Where Social Housing Grant is recycled, as described above, the Social Housing Grant is credited to a fund which is shown as a creditor until used to fund the acquisition of new properties.

Impairments

Housing properties are assessed at each year end to assess whether or not there is any evidence that an asset may be impaired. If there is evidence of impairment, an impairment loss is recognised in the Statement of Financial Activities immediately.

Major Repairs

Major repairs are capitalised to the extent that they relate to the replacement or restoration of a separately identified property component or where the expenditure results in the enhancement of the economic benefits of the assets such as an increase in rental income, a reduction in future maintenance costs or a significant extension to its useful economic life. In any other circumstances repairs are charged to the income and expenditure account as incurred.

1. **Accounting policies (continued)**

1.11 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are stated at cost less provision for impairment.

1.12 Stocks

Stocks is valued at the lower of cost and net realisable value. Stock comprises I.T. equipment, stationery, refreshments, cartridges and marketing material held for future use.

1.13 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.14 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity and group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.16 Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1. Accounting policies (continued)

1.17 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

1.18 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

1. **Accounting policies (continued)**

1.19 Pensions

The group operates a defined contribution pension scheme. The group has no liability under the scheme other than payment of those contributions to a separately administered fund. The group also has two members of staff who are members of the West Yorkshire Pension Fund, a Local Government Pension Scheme (LGPS). This is a defined benefit scheme. The group has obtained an LGPS valuation as at 31 March 2022.

1.20 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Investment income, gains and losses are allocated to the appropriate fund.

1.21 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2. **Change in accounting estimate**

During the year the charity amended its accounting estimate for depreciation of social housing properties for letting. The charity considered that the previous useful life did not reflect that the social housing properties are maintained to a better standard than the decent homes standard and that these standards should have a direct link to the depreciation estimate. The amended estimate updated the useful economic lives of the following identified components and was implemented from 1 April 2021.

Component	UEL per previous estimate	UEL per new estimate
Structure	50 years	75 years
Roof	25 years	45 years
Kitchen	10 years	20 years
Bathroom	10 years	30 years
Heating system	10 years	30 years
Windows	10 years	30 years
Electrical	-	30 years
Doors	10 years	20 years
Boiler	-	15 years
Leasehold	To break clause	Length of lease

2. Change in accounting estimate (continued)

The change in estimate means that the depreciation charge on the related assets has reduced from £183,723 charged in the previous year to £128,053 in the current year, a reduction of £55,670.

3. Critical judgements and estimates

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charitable group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Useful economic lives of tangible assets

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of the asset. An estimate of the useful life of the assets is detailed in the tangible fixed assets and depreciation accounting policy. The value of depreciation charge during the year was £860,065.

Dilapidations

Provision is made for the legal obligation in property leases to reinstate the premises to the condition they were at the date the lease was signed and an estimate is made of the cost of that reinstatement.

Critical areas of judgement:

Classification of housing property

It is the Group's opinion that while rental income is received from the provision of social housing, the primary purpose is to provide social benefits. The provision of social housing is therefore akin to supplying a service and so property held for this purpose has been accounted for as property, plant and equipment. This treatment is consistent with housing associations that have chosen the alternative option of applying the revised UK GAAP (FRS 102), which contains explicit provisions for this scenario and arrives at a similar conclusion; it is also consistent with guidance contained in the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018 (the SORP).

Definition of operating surplus/(deficit)

It is the Group's opinion that all items included in the particulars of income and expenditure from social housing, note 15b, are representative of activities that would normally be regarded as 'operating'.

4. Income from donations and legacies

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Donations	31,971	91,848	**123,819**	77,916
Total 2021	37,516	40,400	77,916	

5. Income from charitable activities

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Substance misuse	**39,901,494**	**14,310,468**	**54,211,962**	49,244,986
Criminal justice	**4,320,342**	**217,093**	**4,537,435**	4,134,946
Work and skills	**939,892**	**2,467,769**	**3,407,661**	2,904,248
Community services	**789,909**	**1,621,166**	**2,411,075**	2,618,470
Independent living services	**2,768,479**	**116,723**	**2,885,202**	3,333,789
Housing	**2,634,112**	**57,688**	**2,691,800**	2,370,456
Premises	**194,540**	**-**	**194,540**	197,390
Commercial property	**27,220**	**25,171**	**52,391**	37,441
Central support services	**306,327**	**-**	**306,327**	128,532
Total 2022	**51,882,315**	**18,816,078**	**70,698,393**	64,970,258
Total 2021	50,228,633	14,741,625	64,970,258	

5. Income from other charitable activities (continued)

During the year the charitable group have reanalysed their split of income between charitable activities, had they been classified on the same basis as the previous year the income from charitable activities would have been per the table below: -

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Central support services	**10,417,911**	**201,383**	**10,619,294**	9,861,221
Young people and families	**789,909**	**1,622,325**	**2,412,234**	1,286,577
Health	**29,984,400**	**14,101,962**	**44,086,362**	44,967,859
Criminal justice	**4,320,342**	**217,093**	**4,537,435**	-
Housing and independent living	**5,429,861**	**204,807**	**5,634,668**	6,200,812
Education and employment	**939,892**	**2,468,508**	**3,408,400**	2,653,789
Total 2022	**51,882,315**	**18,816,078**	**70,698,393**	64,970,258
Total 2021	50,228,633	14,741,625	64,970,258	

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted Funds 2021 £	Total funds 2022 £	Total funds 2021 £
More Time (UK) Limited	19,182	19,182	56,089
Total 2021	56,089	56,089	

7. Investment income

	Unrestricted Funds 2021 £	Total funds 2022 £	Total funds 2021 £
Investment income	470	470	863
Total 2021	863	863	

8. Analysis of expenditure on charitable activities

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Substance misuse	**38,879,804**	**14,353,607**	**53,233,411**	46,876,854
Criminal justice	**3,746,775**	**219,809**	**3,966,584**	3,710,825
Work and skills	**860,682**	**2,473,802**	**3,334,484**	2,866,830
Community services	**779,427**	**1,596,417**	**2,375,844**	2,595,255
Independent living services	**2,618,453**	**128,470**	**2,746,923**	3,098,906
Housing	**2,237,473**	**84,737**	**2,322,210**	2,273,543
Premises	**141,221**	**-**	**141,221**	138,356
Commercial property	**53,128**	**25,171**	**78,299**	50,522
Central support services	**518,209**	**-**	**518,209**	263,978
Total 2022	**49,835,172**	**18,882,013**	**68,717,185**	61,875,069
Total 2021	47,146,142	14,728,927	61,875,069	

During the year the charitable group reanalysed their split of expenditure between charitable activities, had they been classified on the same basis as the previous year the income from charitable activities would have been per the table below: -

Summary by fund type

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Central support services	**10,378,864**	**164,086**	**10,542,950**	9,269,928
Young people and families	**779,427**	**1,596,417**	**2,375,844**	1,178,684
Health	**29,160,371**	**14,189,521**	**43,349,892**	42,814,158
Criminal justice	**3,746,775**	**219,809**	**3,966,584**	-
Housing and independent living	**4,909,053**	**238,378**	**5,147,431**	5,796,633
Education and employment	**860,682**	**2,473,802**	**3,334,484**	2,815,666
Total 2022	**49,835,172**	**18,882,013**	**68,717,185**	61,875,069
Total 2021	47,146,142	14,728,927	61,875,069	

9. Other expenditure

	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Goodwill on consolidation	-	-	(1,032,828)
	-	-	(1,032,828)
Total 2021	(1,032,828)	(1,032,828)	

In the previous year the charity acquired E D P Drug & Alcohol Services which resulted in negative good will of £1,032,828 being generated. This was fully amortised during the previous year.

10. Support cost classification

	Support costs 2022 £	Governance costs 2022 £	2022 £	2021 £	Allocation basis
Finance, legal and IT	**2,057,464**	**-**	**2,057,464**	1,677,837	
HR and Training (L & D)	**844,237**	**-**	**844,237**	1,007,442	Proportion
Business development and communications	**1,098,734**	**-**	**1,098,734**	761,526	of expenditure
Governance	**-**	**1,101,159**	**1,101,159**	897,017	
	4,000,435	**1,101,159**	**5,101,594**	4,343,822	

Total support costs total £5,105,332 in 2022. We have allocated this to charitable activities using a simple weighting formula in respect of the total expenditure by charitable activity. This approach provides support cost levels that look reasonable from our perspective by charitable activity.

	Activities directly undertaken 2022 £	Support and governance costs 2022 £	Total Funds 2022 £	Total Funds 2021 £
Substance misuse	**49,278,659**	**3,954,752**	**53,233,411**	46,876,854
Criminal justice	**3,671,903**	**294,681**	**3,966,584**	3,710,825
Work and skills	**3,086,763**	**247,721**	**3,334,484**	2,866,830
Community services	**2,199,341**	**176,503**	**2,375,844**	2,595,255
Independent living services	**2,542,852**	**204,071**	**2,746,923**	3,098,906
Housing	**2,149,691**	**172,519**	**2,322,210**	2,273,543
Premises	**130,730**	**10,491**	**141,221**	138,356
Commercial property	**72,482**	**5,817**	**78,299**	50,522
Central support services	**483,170**	**35,039**	**518,209**	263,978
Total 2022	**63,615,591**	**5,101,594**	**68,717,185**	61,875,069
Total 2021	57,531,247	4,343,822	61,875,069	

11. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Charity's auditor and its associates for the audit of the Charity's annual accounts	**31,500**	39,500
Fees payable to the Charity's auditor and its associates in respect of: All non-audit services not included above	**5,750**	-

12. Net movement in funds

Net movement in funds is stated after charging:

	2022 £	2021 £
Depreciation	860,065	702,127
Amortisation	-	(1,032,828)
Operating lease rentals – Land and buildings	1,589,761	889,889
Government Grant	(10,351)	(8,667)

Government grants relates to amounts received for the Coronavirus job retention scheme.

13. Staff costs

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	**36,890,741**	34,627,165	**31,684,020**	29,339,617
Social security costs	**3,071,956**	2,948,296	**2,631,037**	2,517,927
Redundancy payments	**432,914**	-	**418,272**	-
Contribution to defined contribution pension schemes	**1,483,321**	1,422,994	**1,250,340**	1,177,298
Operating costs of defined benefit pension schemes	**11,000**	(1,000)	**11,000**	(1,000)
	41,889,932	38,997,455	**35,994,669**	33,033,842

The average number of persons employed by the Group and Charity during the year was as follows:

	Group 2022 No	Group 2021 No	Company 2022 No	Company 2021 No
Charitable activities	**1,315**	1,272	**1,087**	1,044
Governance	**-**	2	**-**	2
Support activities	**114**	100	**114**	100
Generating funds	**45**	36	**-**	-
	1,474	1,410	**1,201**	1,146

13. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No	Group 2021 No
In the band £60,001 - £70,000	**9**	2
In the band £70,001 - £80,000	**3**	2
In the band £80,001 - £90,000	**2**	3
In the band £90,001 - £100,000	**8**	4
In the band £100,001 - £110,000	**2**	1
In the band £110,001 - £120,000	**-**	1
In the band £120,001 - £130,000	**1**	-

Total employment benefits paid by the Group in the year in respect of the key management personnel were £1,074,343 (2021: £960,728).

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, expenses totaling £1,940 were reimbursed or paid directly to Trustees (2021 - £985).

HUMANKIND CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

15a. Social housing activities

	2022 Turnover £'000	2022 Operating Costs £'000	2022 Operating Surplus/(Deficit) £'000	2021 Turnover £'000	2021 Operating Costs £'000	2021 Operating Surplus/(Deficit) £'000
Social housing activities						
Income and expenditure from lettings	**2,691,800**	**(2,322,210)**	**369,590**	2,370,456	(2,273,543)	96,913
Other social housing activities						
Independent living services	**2,885,202**	**(2,746,923)**	**138,279**	3,333,789	(3,098,906)	234,883
Total	**5,577,002**	**(5,069,133)**	**507,869**	5,704,245	(5,372,449)	331,796

15b. Particulars of income and expenditure from social housing

	2022 £	2021 £
Income from social housing letting activities		
Rent receivable	**1,133,297**	991,600
Service charge income	**1,792,433**	1,633,014
Gross rent receivable	**2,925,730**	2,624,614
Rent losses from voids	**(357,158)**	(357,970)
Net rents receivable	**2,568,572**	2,266,644
Amortised government grants	**98,248**	96,868
Other income	**24,980**	6,944
Total income from social housing letting activities	**2,691,800**	2,370,456
Expenditure on social housing letting activities		
Management	**409,438**	398,593
Other costs	**1,455,687**	1,437,114
Maintenance	**295,263**	272,334
Depreciation	**161,822**	165,502
Total expenditure on social housing letting activities	**2,322,210**	2,273,543
Operating surplus on social housing letting activities	**369,590**	96 913
Accommodation in Management		
Supported housing - No. of units	284	274

16. Intangible assets

Group

	Goodwill £	Negative goodwill £	Total £
Cost			
At 1 April 2021 and 31 March 2022	42,000	(1,032,828)	(990,828)
Amortisation			
At 1 April 2021 and 31 March 2022	42,000	(1,032,828)	(990,828)
Net book value			
31 March 2021 and 31 March 2022	-	-	-

17. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Motor Vehicles £	Fixture and fittings £	Computer equipment £	Social housing properties held for letting £	Total £
Cost or valuation							
At 1 April 2021	2,356,175	3,867,717	173,513	2,035,826	125,743	4,675,460	13,234,434
Additions	34,213	260,270	36,540	766,518	171,153	609,157	1,877,851
Disposals	(6,720)	-	-	(96,532)	-	-	(103,252)
At 31 March 2022	2,383,668	4,127,987	210,053	2,705,812	296,896	5,284,617	15,009,033
Depreciation							
At 1 April 2021	398,204	1,789,680	142,017	1,561,456	5,716	819,818	4,716,891
Charge for the year	92,326	322,669	23,238	257,488	17,149	147,195	860,065
On disposals	(6,720)	-	-	(96,532)	-	-	(103,252)
At 31 March 2022	483,810	2,112,349	165,255	1,722,412	22,865	967,013	5,473,704
Net book value							
At 31 March 2022	1,899,858	2,015,638	44,798	983,400	274,031	4,317,604	9,535,329
At 31 March 2021	1,957,971	2,078,037	31,496	474,370	120,027	3,855,642	8,517,543

17. Tangible fixed assets (continued)

Charity

	Freehold property £	Long-term leasehold property £	Motor Vehicles £	Fixture and fittings £	Computer equipment £	Social housing properties held for letting £	Total £
Cost or valuation							
At 1 April 2021	2,349,455	3,867,717	147,233	1,809,269	125,743	4,675,460	12,974,877
Additions	34,213	260,270	36,540	738,070	171,153	609,157	1,849,403
At 31 March 2022	2,383,668	4,127,987	183,773	2,547,339	296,896	5,284,617	14,824,280
Depreciation							
At 1 April 2021	391,484	1,789,680	115,737	1,402,022	5,716	819,818	4,524,457
Charge for the year	92,326	322,669	23,238	214,553	17,149	147,195	817,130
At 31 March 2022	483,810	2,112,349	138,975	1,616,575	22,865	967,013	5,341,587
Net book value							
At 31 March 2022	1,899,858	2,015,638	44,798	930,764	274,031	4,317,604	9,482,693
At 31 March 2021	1,957,971	2,078,037	31,496	407,247	120,027	3,855,642	8,450,420

18. Fixed asset investments

Group	Investments in Subsidiaries £
Cost or valuation	
At 1 April 2021 and 31 March 2022	1
Net book value	
31 March 2021 an d31 March 2022	1

Charity	Investments in Subsidiaries £
Cost or valuation	
At 1 April 2021 and 31 March 2022	1,032,830
Net book value	
31 March 2021 and 31 March 2022	1,032,830

Principal subsidiaries

The following were subsidiary undertakings of the Charity:

	Company Number	Charity Registration Number	Holding
More Time (UK) Limited	07738729	-	100%
The Sector Group Limited (dormant)	07738950	-	100%
E D P Drug & Alcohol Services	02145656	0297370	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) /Surplus/ (Deficit) for the year £	Net assets/ (liabilities) £
More Time (UK) Limited	397,320	(361,591)	**35,729**	(231,955)
The Sector Group Limited (dormant)	-	-	-	1
E D P Drug & Alcohol Services	10,084,928	(9,514,963)	**569,965**	2,165,919

The registered office for More Time (UK) Limited and The Sector Group Limited is Inspiration House, Unit 22, Bowburn North Industrial Estate, Bowburn, Durham, DH6 5PF. The registered office for EDP Drug & Alcohol Services is Stratus House, Exeter Business Park, Exeter, Devon, EX1 3QS.

19. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Raw materials and consumables	**4,128**	865	-	-
Finished goods and goods for resale	**117,546**	128,278	**117,546**	128,278
	121,674	129,143	**117,546**	128,278

20. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year				
Trade debtors	**7,809,298**	4,189,833	**6,605,649**	3,628,845
Amounts owed by group undertakings	-	-	**293,100**	68,712
Other debtors	**310,245**	238,336	**278,097**	209,151
Prepayments and accrued income	**2,342,312**	2,285,787	**2,237,368**	2,182,508
	10,461,855	6,713,956	**9,414,214**	6,089,216
Amounts falling due after more than one year				
Amounts owed by group undertakings	-	-	-	110,408
	10,461,855	6,713,956	**9,414,214**	6,199,624

Included within debtors are bad debt provisions totaling £79,099 (2021: £6,010) in relation to trade debtors in the group and the charity and £107,805 (2021: £107,805) in relation to amounts owed by participating interests in the charity.

21. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	**25,637**	31,742	**25,637**	31,742
Trade creditors	**2,342,104**	3,653,579	**1,972,829**	3,339,564
Other taxation and social security	**953,881**	991,457	**808,508**	869,141
Other creditors	**597,176**	467,315	**558,839**	380,888
Accruals and deferred income	**9,765,816**	5,686,039	**9,137,150**	5,268,862
	13,684,614	10,830,132	**12,502,963**	9,890,197

21. Creditors: Amounts falling due within one year (continued)

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Deferred income at 1 April 2021	**3,476,504**	5,076,540	**3,342,038**	5,029,202
Resources deferred during the year	**5,158,360**	1,498,949	**4,391,273**	1,364,483
Amounts released from previous periods	**(1,671,772)**	(3,098,985)	**(1,073,387)**	(3,051,647)
	6,963,092	3,476,504	**6,659,926**	3,342,038

Deferred income comprises amounts received by the group for services that are to be provided in future accounting periods.

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

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Bank loans	**197,871**	226,020	**197,871**	226,020
Other creditors	**2,434,221**	2,129,682	**2,434,221**	2,129,682
	2,632,092	2,355,702	**2,632,092**	2,355,702

Bank loans totaling £221,858 (2021: £257,762) are secured on the assets to which they relate.

Bank loans includes amounts of £93,671 (2021: £119,308) payable by instalments and due in more than 5 years.

23. Borrowings

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Bank loans	**223,508**	257,762	**223,508**	257,762
Other creditors	**245,025**	221,925	**221,925**	220,000
	468,533	479,687	**445,433**	477,762

The charity has two bank loans, the first of which is repayable in monthly instalments with the final instalment due on 31 December 2029 with an interest rate of 4.5% + Base rate per annum.

The second is repayable in monthly instalments with the final instalment due on 31 August 2030 with an interest rate of 3.5% + Base rate per annum.

Other creditors is a social impact bond liability repayable in full with interest on 1 October 2024. The interest rate is 10.5% pa.

24. Provisions for liabilities

	Dilapidations £
Provisions at 1 April 2021	42,918
Additions	147,406
	190,324

Charity

No provisions are held in the parent charity. Dilapidation provisions are included within accruals and total £450,957 as at 31 March 2022.

25. Statement of funds

Statement of funds – Group current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
Fixed Asset Reserve	67,123	-	(42,935)	28,448	-	52,636
General funds						
Unrestricted funds	12,499,119	51,944,289	(50,134,974)	(63,506)	-	14,244,928
Pension reserve	(172,000)	-	(11,000)	-	54,000	(129,000)
	12,327,119	51,944,289	(50,145,974)	(63,506)	54,000	14,115,928
Total unrestricted funds	12,394,242	51,944,289	(50,188,909)	(35,058)	54,000	14,168,564

25. Statement of funds (continued)

Statement of funds – Group current year (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Restricted funds						
Big lottery	73,856	140,875	(140,920)	-	-	73,811
Independent living	23,458	121,948	(128,470)	-	-	16,936
Drugs and alcohol	59,646	14,141,961	(14,137,673)	-	-	63,934
Health young people and families	78,016	91,554	(92,669)	-	-	76,901
Community services	-	1,389,896	(1,362,828)	-	-	27,068
Criminal Justice	-	217,093	(219,809)	2,716	-	-
Work and skills	-	2,468,509	(2,473,802)	5,293	-	-
Humankind housing	-	57,688	(84,737)	27,049	-	-
Central	-	77,019	(77,019)	-	-	-
Sport England	-	68,135	(68,135)	-	-	-
Teignbridge rough sleeper initiative	-	24,623	(24,623)	-	-	-
Avon and Somerset PCC	-	34,375	(34,375)	-	-	-
Petroc College	-	4,462	(4,462)	-	-	-
Exeter City Council	-	25,861	(25,861)	-	-	-
DWP	-	6,630	(6,630)	-	-	-
Dorset County Council	-	34,100	-	-	-	34,100
Recovery fund	-	3,197	-	-	-	3,197
	234,976	18,907,926	(18,882,013)	35,058	-	295,947
Total of funds	12,629,218	70,852,215	(69,070,922)	-	54,000	14,464,511

25. Statement of funds (continued)

Unrestricted funds represents resources available for general work, it also includes donations following acquisition with E D P Drug & Alcohol Services along with unrestricted project income identified in note 4.

Restricted funds

The balance carried forward represents income on projects to be expended in future periods. The restricted funds are listed below along with a description of the purpose of the fund.

Big Lottery - WY-FI (main contract)

Aims to improve the lives and well being of people with entrenched multiple needs, who are currently the most disengaged and disconnected from services.

Independent living

Helping vulnerable people in the community who may be homeless, at risk of homelessness or at risk of losing their tenancy. Providing services which support vulnerable people to get the right tenancy for them, and to develop the skills to maintain that tenancy.

Drugs and alcohol

Supporting people to enter recovery oriented drug and alcohol service, choose abstinence, achieve recovery, reduce risk taking behavior and improve local communities. integrated substance misuses service that encourages, supports and empowers individuals to take responsibility and control of their lives.

Health, young people and families

Offering vocational training to young people whom may have left school without any qualifications. Offering support advice to young people with LGBT concerns and interest both personally or within their family.

Community services

Offering support to vulnerable young people and young adults who have a range of different needs, as well as their carers and their wider families.

Criminal justice

Delivering services to help those who are actively offending, or who have historically offended, to move towards a more positive lifestyle. This includes working in a number of prison establishments across the country.

Work and skills

Offering specialist education and employment services to vulnerable people to identify and address the barriers to their employment, to advocate with employers and to create opportunities which lead to healthier, positive and more stable lives.

Humankind housing

A registered provider of housing offering a solution that means we can provide housing for people with issues often considered by private landlords to be high risk. Humankind Housing has stepped in with a solution that bridges the divide.

25. **Statement of funds (continued)**

Office of the Police and Crime Commissioner, Devon & Cornwall (OPCC)

This fund represents a grant from OPCC for the delivery of a Prisoner Resettlement Pilot at HMP Exeter, specifically provision of a Resettlement Coordinator and the Departure Lounge Cafe.

Sport England

This fund represents a three year grant by Sport England for their Flourish in Nature project using National Lottery funding. Specifically it is to be used to train up cohorts of volunteer outdoor activity leaders in Devon.

Avon and Somerset PCC

This fund represents a grant from ASPCC to continue our Prisoner resettlement Project at HMP Exeter. This is specifically for provision of a Resettlement Coordinator and the Departure Lounge Cafe.

Teignbridge rough sleeper initiative

This fund represents a grant from Teignbridge District Council and South Hams & West Devon Council to contribute towards an outreach service which will work alongside the existing rough sleeper outreach services covering both districts.

Petroc College

This fund represents a grant awarded by Petroc College as part of their wider project funded by the European Social Fund specifically to be used to continue to develop the scalability and sustainability of EDP's social enterprise Hidden Gems.

Exeter City Council

This fund represents a grant by Exeter City Council for the employment of a specialist navigator for 12 months, under Exeter's award of funding through the Rough Sleeper Rapid Rehousing Pathway programme.

Department of Working Pensions (DWP)

This fund represents a grant by Department of Working Pensions to provide access to work grants for employees new work equipment.

Dorset County Council

This fund represents funding for Criminal Justice worker from Office of the Police and Crime Commissioner, Devon & Cornwall (OPCC).

Recovery Fund

The Recovery Fund is a pot of monies raised by Service Users, volunteers and staff to purchase items that will enhance and support recovery. Funds are received either from donations to the organisation, or are raised directly by the staff, Volunteer team and Service Users in localised or regional fundraising activities.

25. Statement of funds (continued)

Statement of funds – Charity current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers In/out £	Gains/ Losses £	Balance at 31 March 2022 £
Unrestricted funds						
General funds						
Unrestricted funds	12,162,996	41,905,136	(40,705,708)	(35,058)	-	13,327,366
Defined benefit pension scheme	(172,000)	-	(11,000)	-	54,000	(129,000)
Total unrestricted funds	11,990,996	41,905,136	(40,716,708)	(35,058)	54,000	13,198,366
Restricted funds						
Big lottery	73,856	140,875	(140,920)	-	-	73,811
Independent living	23,458	121,948	(128,470)	-	-	16,936
Drugs and alcohol	59,646	14,268,036	(14,263,748)	-	-	63,934
Health, young people and families	78,016	91,554	(92,669)	-	-	76,901
Community services	-	1,389,896	(1,362,828)	-	-	27,068
Criminal Justice	-	217,093	(219,809)	2,716	-	-
Work and skills	-	2,338,799	(2,343,111)	4,312	-	-
Humankind housing	-	34,242	(38,167)	3,925	-	-
Central	-	29,998	(29,998)	-	-	-
	234,976	18,632,441	(18,619,720)	10,953	-	258,650
Total of funds	12,225,972	60,537,577	(59,336,428)	(24,105)	54,000	13,457,016

25. Statement of funds (continued)

Statement of funds – Group prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers In/out £	Gains/ Losses £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Fixed Asset Reserve	80,912	-	(61,194)	47,405	-	67,123
General funds						
Unrestricted funds	8,525,273	50,330,955	(46,301,467)	(55,642)	-	12,499,119
Defined benefit pension scheme	(110,000)	-	(2,000)	-	(60,000)	(172,000)
	8,415,273	50,330,955	(46,303,467)	(55,642)	(60,000)	12,327,119
Total unrestricted funds	8,496,185	50,330,955	(46,364,661)	(8,237)	(60,000)	12,394,242
Restricted funds						
Big lottery	73,856	437,669	(437,669)	-	-	73,856
Independent living	21,290	73,006	(70,838)	-	-	23,458
Drugs and alcohol	478	11,628,550	(11,569,382)	-	-	59,646
Health, young people and families	78,017	82,372	(82,373)	-	-	78,016
Work and skills	-	2,338,799	(2,343,111)	4,312	-	-
Humankind housing	-	34,242	(38,167)	3,925	-	-
Central	-	29,998	(29,998)	-	-	-
OPCC	-	12,500	(12,500)	-	-	-
Sport England	-	48,806	(48,806)	-	-	-
Teignbridge rough sleeper initiative	-	17,227	(17,227)	-	-	-
Avon and Somerset PCC	-	18,750	(18,750)	-	-	-
Petroc College	-	14,999	(14,999)	-	-	-
Exeter City Council	-	14,742	(14,742)	-	-	-
National Lottery Community Fund	-	30,365	(30,365)	-	-	-
	173,641	14,782,025	(14,728,927)	8,237	-	234,976
Total of funds	8,669,826	65,112,980	(61,032,394)	-	(60,000)	12,690,412

26. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Tangible fixed assets	6,827,172	2,708,157	**9,535,329**
Fixed asset investments	1	-	**1**
Current assets	16,401,121	5,164,090	**21,565,211**
Creditors due within one year	(8,542,535)	(5,142,079)	**(13,684,614)**
Creditors due in more than one year	(197,871)	(2,434,221)	**(2,632,092)**
Pension liability	(129,000)	-	**(129,000)**
Other provision	(190,324)	-	**(190,324)**
Total	14,168,564	295,947	**14,464,511**

Analysis of net assets between funds - prior year

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Tangible fixed assets	5,874,573	2,642,970	8,517,543
Fixed asset investments	1	-	1
Current assets	12,796,067	4,716,359	17,512,426
Creditors due within one year	(5,835,461)	(4,994,671)	(10,830,132)
Creditors due in more than one year	(226,020)	(2,129,682)	(2,355,702)
Provisions for liabilities and charges	(214,918)	-	(214,918)
Total	12,394,242	234,976	12,629,218

27. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	**1,781,293**	4,019,392
Adjustments for:		
Depreciation charges	**860,065**	702,127
Goodwill amortisation	**-**	(1,032,828)
Gains on investments	**-**	1,032,828
Dividends, interests and rents from investments	**(470)**	(14,188)
Decrease/(increase) in stocks	**7,469**	(70,198)
(Increase)/decrease in debtors	**(3,747,899)**	1,841,979
Increase in creditors	**3,165,126**	1,209,032
Provision movements	**147,406**	-
Movement on pension scheme liability	**11,000**	2,000
Net cash provided by operating activities	**2,223,990**	7,690,144

28. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	10,669,327	**312,355**	**10,981,682**
Borrowings excluding overdrafts	(257,762)	**34,254**	**(223,508)**
	10,411,565	**346,609**	**10,758,174**

29. Pension commitments

The Group operates a defined benefit pension scheme.

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee administered funds. The total contribution made for the year ended 31 March 2022 was £9,000 (2021 - £10,000), of which employer's contributions totalled £7,000 (2021 - £8,000) and employees' contributions totalled £2,000 (2021 - £2,000). The agreed contribution rates for future years are 18.6% for employers and 5.5% - 10.5% for employees.

29. Pension commitments (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2022 %	2021 %
Discount rate	**2.70**	2.10
Future salary increases	**4.05**	3.85
Future pension increases	**2.80**	2.60
CPI inflation	**2.80**	2.60

	2022 Years	2021 Years
Mortality rates (in years)		
- for a male aged 65 now	**21.8**	21.9
- at 65 for a male aged 45 now	**22.5**	22.6
- for a female aged 65 now	**24.6**	24.7
- at 65 for a female aged 45 now	**25.7**	25.8

The Group's share of the assets in the scheme was:

	2022 £	2021 £
Equities	**128,000**	111,000
Gilts	**12,000**	12,000
Corporate bonds	**8,000**	6,000
Property	**6,000**	5,000
Cash and other liquid assets	**5,000**	3,000
Other	**2,000**	2,000
Total fair value of assets	**161,000**	139,000

The actual return on scheme assets was £13,000 (2021 - £24,000).

	2022 £	2021 £
Current service cost	**15,000**	13,000
Interest income	**(3,000)**	(2,000)
Interest cost	**7,000**	5,000
Total amount recognised in the Consolidated statement of financial activities	**19,000**	16,000

29. Pension commitments (continued)

The amounts included in the statement of balance sheet arising from the group's obligations in respect of defined benefit plans are as follows:

	2022 £
Present value of defined benefit obligation	**290,000**
Fair value of plan assets	**161,000**
Deficit in scheme	**(129,000)**

Movements in the present value of the defined benefit obligation were as follows:

	2022 £	2021 £
Opening defined benefit obligation	**304,000**	202,000
Contributions by scheme participants	**2,000**	2,000
Current service cost	**15,000**	13,000
Interest cost	**7,000**	5,000
Actuarial (gains)/ losses	**(44,000)**	82,000
Adjustment to prior year by actuary	**6,000**	-
Closing defined benefit obligation	**290,000**	304,000

Movements in the fair value of the Group's share of scheme assets were as follows:

	2022 £	2021 £
Opening fair value of scheme assets	**139,000**	99,000
Expected return on assets	**3,000**	2,000
Contributions by scheme participants	**2,000**	2,000
Contributions by employer	**7,000**	14,000
Actuarial gains	**10,000**	22,000
Closing fair value of scheme assets	**161,000**	139,000

30. Operating lease commitments

At 31 March 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Not later than 1 year	**1,694,324**	1,016,294	**1,531,627**	823,492
Later than 1 year and not later than 5 years	**3,148,487**	2,385,225	**2,748,347**	1,941,147
Later than 5 years	**1,194,054**	819,445	**1,194,054**	746,745
	6,036,865	4,220,964	**5,474,028**	3,511,384

31. Related party transactions

During the period management charges of £168,554 (2021: £57,160) were charged to E D P Drug & Alcohol Services, an entity under the control of the charity. At the year end there was an amount of £100,222 (2021 £53,070) owed to the charity.

During the period there were sales of £7,710 (2021: £7,854) and purchases of £367,787 (2021: £228,438) to/from More Time (UK) Limited, an entity under the control of the charity. At the year end there was an amount of £192,878 (2021 £179,120) owed to the charity. The amounts due from More Time (UK) Limited is net of a bad debt provision of £107,805 (2021: £107,805). Included in the amounts due from More Time (UK) Limited is a loan of £104,116 (2021: £110,408) on which interest is charged at 2% pa.

Waythrough

England & Wales - Charity number 515755

Accounts

Registered number: 01820492
Charity number: 515755

HUMANKIND CHARITY

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

HUMANKIND CHARITY

(A company limited by guarantee)

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HUMANKIND CHARITY

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

Trustees

J Black, Chair
J E Bilbie (appointed 1 April 2020)
A Boyt
I R Dewhirst
E Feltin, Vice Chair
J R Foyle
C L Gitsham
V J Holmes
C G Matthews-Maxwell
I MacQueen (appointed 1 April 2020)
S Shepherd
G K Taylor (resigned 22 May 2020)
M W Treasure, Treasurer

Company Registered Number

01820492

Charity Registered Number

515755

Registered Office

Inspiration House
Unit 22
Bowburn North Industrial Estate
Bowburn
Durham
DH6 5PF

Company Secretary

C Horner

Chief Executive Officer

P Townsley

Independent Auditors

Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Bankers

Barclays Bank
49-51 Northumberland Street
Newcastle upon Tyne
NE1 7AF

Solicitors

Womble Bond Dickinson LLP
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the Group for the 1 April 2020 to 31 March 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable group comply with the current statutory requirements, the requirements of the charitable group's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Structure, governance and management

Governing document

Humankind Charity (Humankind) is a charity and company limited by guarantee – incorporated on 30 May 1984 and registered as a charity on 5 November 1984.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the Trustees are elected at the Annual General Meeting (AGM). Rotation of Trustees requires that the longest serving one-third or nearest one-third of their number shall retire from office at each AGM but shall be eligible for re-election.

The Trustees reviewed Humankind's Memorandum and Articles in the light of changes to Charity and Company Law and made minor amendments in 2011.

Recruitment, training and appointment of Trustees

The management of the Group and the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Humankind's governing body is a voluntary Board of Trustees, each of whom sits independently and do not represent any other agencies. The Trustees who held office during the 2020/21 financial year and at the time of writing of this report are set out on page 1.

Members of the Board of Trustees meet monthly and do not receive any remuneration. Where claimed, expenses are reimbursed. Travel expenses of £985 were reimbursed during this financial year.

A subcommittee structure was implemented during the financial year which allowed for greater scrutiny of our finances (including other corporate functions), governance and innovation.

The sub-committees currently meet quarterly in advance of the Board Meeting and compose of:

- Resources
- Housing
- Work & Skills
- Quality & Performance

Structure, governance and management (continued)

Recruitment, training and appointment of Trustees (continued)

Trustees are recruited using advertisements with potential Trustees being invited to complete an application form. Humankind recruits Trustees who are able to offer a wide range of experience for the benefit of the organisation – these areas of expertise include business, marketing, education and quality. A panel of Trustees, together with the Chief Executive, meet with applicants to discuss Humankind's aims and objectives, outline their responsibilities as Trustees and ensure that there are no conflicts of interest and to answer any questions that applicants may have.

Successful candidates are then invited to join the Board of Trustees as lay members for a period of induction between three and six months. During this time they are also required to visit a number of Humankind's projects, view presentations and discuss key issues with other Board members and employees of the organisation. Trustees undertake mandatory training annually, including Information Governance, Safeguarding and Equality Diversity and Inclusion. Regular skills audits and governance reviews also take place to ensure our trustee board has the requisite skills and attributes required to oversee our charity.

Once this induction process is complete applicants are invited to join the Board as Trustees. Trustees' training is an on-going process via courses, presentations, events, visits and Away Days.

Management structure

The Board of Trustees are responsible for the strategic direction and policies of the organisation and are actively involved in the business planning. The Trustees monitor compliance with the business plan by monitoring key performance indicators set out in the plan. The Trustees also review management accounts on a monthly basis against financial projections which are produced at least twice yearly – to reflect the activities in the business plan.

The Chair of Trustees provides supervision and support for the Chief Executive. Responsibility for the day to day running of the company lies with the Chief Executive along with the Executive Directors –The Executives meet monthly with the Operational Directors who are responsible for the operational delivery units which deliver Humankind services.

Pay policy for key management personnel

Key management personnel pay review is undertaken by the Board of Trustees, who assess and review competencies of those staff members This review is undertaken on an annual basis and increments applied following approval by the Board of Trustees.

Related party relationships

More Time (UK) Limited is a wholly owned subsidiary company which was established to carry on trading activities complementing the work of Humankind Charity.

EDP (formerly Exeter Drugs Project) joined together with Humankind in April 2020 in a subsidiary merger. EDP retains many of its own processes, systems and brand but together with Humankind addresses health and social inequalities across the South West. We have a shared vision for people of all ages to be safe, building ambitions for the future and reaching towards their full potential.

Further details for related parties are started in Note 31 to the financial statements.

Structure, governance and management (continued)

Risk strategy

The risk management strategy and risk registers are in place to review, evaluate and minimise any risks facing the organisation. The strategy covers insurance plans, financial risks, media, health & safety, IT, archiving and reconstruction of records, staff and service user safety, information governance, clinical governance and disaster recovery plans. The strategy is reviewed quarterly by the Quality and Performance Subcommittee of the main Board and is then discussed at the main Board Meeting. Quality systems and audit checks are embedded in our service delivery and we comply with the various audit frameworks including Care Quality Commission (CQC), Ofsted, IIP and Matrix and Governance and Financial Standard of the Regulatory Framework.

The principal risks and uncertainties we face include: reduced viability of contracts and continuing cost pressures; the need for a skilled and committed workforce who we need to ensure feel motivated and part of Humankind; ever-changing and demanding inspection standards and demanding contract targets and outcomes. Management strategies include stringent vetting of bids and any potential liabilities they may bring; consulting with staff and implementing a strong induction program as well as reviewing our vision, mission and values with staff; employing an experienced Quality team to work with Directors and staff to embed, monitor and address contractual performance and quality standards. Our work going forward into 2021/22 will again build on the strong foundations already laid.

Disabled employees

The organisation fully complies with the Equality Act 2010. Humankind does not discriminate against employees because of mental or physical disability. This year, we have further invested in our approach to equality, diversity and inclusion with the addition of a specific post holder to build our organisational strategy and approach, in partnership with our human resources and other central teams.

Public benefit

From 1 April 2008, section 4 of the Charities Act 2011 requires all charities to meet the legal requirement that its aims be for the public benefit. The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit.

The Charity Commission states that there are two principles to be met in order to show that an organisation's aims are for the public benefit; firstly, there must be an identifiable benefit or benefits and secondly that the benefit must be to the public, or a section of the public. The Trustees are satisfied that the aims and objectives of the charity, and the activities reported on above, meet these principles.

Structure, governance and management (continued)

Plans for future periods

Humankind will continue to deliver health and social care services, making a real difference to people and their communities.

Our strategic plans for the future are based on further strengthening our foundations whilst continuing to grow in key strategic areas and further strengthening our national voice. Our growth will be with the aid of key partnerships to further enhance our offer and ensuring our service users get the best services to address their needs. Underpinning our strategy, we will also be ensuring our workforce feels valued and engaged, so that they can continue to deliver the best for our clients.

Objectives and activities

Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Summary of Humankind's areas of work

Our vision is for people of all ages to be safe, building ambitions for the future and reaching towards their full potential. To do this, we create services and support to meet people's complex health and social needs, helping them to build healthier lives that have meaning and value for themselves and their families. We support local people to create stronger, better-connected communities.

In pursuit of our vision, we deliver:

- **Young People & Families Services:** Humankind works with people from all different stages of their life course. We offer support to vulnerable young people and young adults who have a range of different needs, as well as their carers and their wider families.
- **Health & Wellbeing Services:** One of the core aspects of Humankind's vision is for people to be safe, and therefore we see it as vital that the people that use our services, their families and their communities are healthy. Our health services range from lifestyle or behavioural advice through to clinical delivery, and these services are delivered across a national footprint.
- **Mental Health/Wellbeing:** Humankind delivers services which provide early intervention to those who are experiencing a mental health need.
- **Drug & Alcohol Recovery:** We deliver high quality substance misuse services which reduce harm, support behaviour change, promote recovery and offer comprehensive wraparound support for adults and young people.
- **Criminal Justice:** We deliver services to help those who are actively offending, or who have historically offended, to move towards a more positive lifestyle.

Objectives and activities (continued)

Summary of Humankind's areas of work (continued)

- **Housing & Independent Living:** Humankind Housing is a Registered Provider offering housing and property management/services. We also provide services which support vulnerable people to get the right tenancy for them, and to develop the skills to maintain that tenancy.
- **Education and Employment:** Humankind offers specialist education and employment services which offers vulnerable people the valuable opportunity to identify and address any barriers to their employment, to advocate with employers and to create opportunities which lead to healthier, positive and more stable lives.

Throughout 2020/21, our services additionally responded to the global Covid-19 pandemic; in doing so our staff rapidly changed the way that we deliver services, protected vulnerable populations within our communities and maintained key service delivery/interventions.

As a board of Trustees, we have been hugely impressed by the determination and resilience of our whole workforce, and want to thank both staff and volunteers for the exceptional way they have worked during this difficult period.

Our Impact

Examples of our impact in 2020/21 include:

Organisation-wide:
- Humankind supported 86,111 people across our services
- Volunteers across our services gave a total of 10,604 hours; an average of 204 hours for each week of the year
- A total of 2,014 responses were received from people who access our services, who provided the following feedback:
  - 99% felt respected by our staff
  - 99% felt staff had the right skills to support them to achieve their goal
  - 98% felt safe within our services
  - 98% felt that they received the support they needed from us
  - 96% felt that their suggestions for improvement were taken on board
  - 97% said that they have choice and control over their support

Work & Skills:
- Humankind supported 1,178 individuals within our Work & Skills services
- When asked to rate the service out of 5, learners gave the service an average score of 4.40
- 100% of learners would recommend Humankind to others

Objectives and activities (continued)

Our Impact (continued)

Independent Living & Housing:

- 428 vulnerable people have been supported through Humankind Housing – 243 of these people were housed within our commissioned supported accommodation services.
- 71% of residents were supported to move into secure, permanent housing
- We have now refurbished 86 dilapidated empty properties and brought them back into use as specialist social housing
- 100% of tenants surveyed stated they would recommend Humankind Housing to others
- 2,489 people were supported via our Independent Living services
- 1,338 people were supported to leave our services in a supported, planned way and successfully achieved 94% of their desired outcomes;
    - 1362 were supported to develop confidence and the ability to have greater choice or control
    - 984 were supported to maximise their income including navigation of the Benefits system
    - 722 were supported to better manage their mental health
    - 737 were supported to better manage their physical health
    - 464 were supported to comply with statutory orders and/or processes relating to offending behaviour
    - 426 were supported to better manage their overall debt.
    - 121 were supported to participate in training /education.
    - 72 were supported to obtain employment

Drug and Alcohol Recovery:

- 29,392 people were supported through our structured support Recovery Services
- 40,438 people have been offered support through our Recovery Support Services
- 4,370 adults exited our services in a positive, planned way having achieved abstinence or reduced their use - a 4% increase on 2019/20
- On average, 12 people successfully complete treatment from our services drug or alcohol free each day
- For those in treatment within the last 12 months, 5,944 individuals reported an improvement psychological health, 5,170 reported improved physical health and 5,806 said their Quality of Life had improved at point of treatment review
- 586 people who used opiates reported achieving abstinence or had reliably reduced their use to safer levels
- 2,370 people who used alcohol reported achieving abstinence or reliably reduced their use to safer levels

Objectives and activities (continued)

New service areas

During 2020/21, we were successfully awarded and/or mobilised:

- Thriving at Work
- Teesside Peer Mentor Community Support
- Teesside Peer Mentor Inpatient Support
- Leeds Adult Learning (existing service)
- Durham & Darlington Peer Mentor Support Service
- Greater Manchester Housing First Intervention Delivery Partner
- North Yorkshire YP Substance Misuse
- County Durham Provider Panel Community Learning
- DWP CAEHRS Sefton Restart Programme
- North Yorkshire Criminal Justice Diversionary Service – Women (existing service)
- North Yorkshire Criminal Justice Diversionary Service - Men aged 18-25
- NHS North of England Prison Substance Misuse Delivery (in partnership with to Spectrum and TEWV NHS Trust)
- South Tyneside CCG South Tyneside Rainbow Flag Award (existing service)
- Staffordshire Drug and Alcohol Services

The above achievements highlight Humankind's strong performance, community integration and innovative business development.

In addition, on 1st April 2020, EDP Drug & Alcohol Services became a subsidiary of Humankind. EDP are a South West-based charity which delivers drug and alcohol services across prisons and the community in Dorset and Devon. This exciting progression has expanded Humankind's range and coverage of services, whilst retaining EDP's experience and ability to deliver impactful services across the South West of England.

Financial review

Our focus this year has been to strengthen and consolidate our financial position. In spite of the pandemic and additional costs this and Brexit attracted, we further strengthened our group position. We have monitored potential and actual costs closely to ensure that we continued to meet our charitable objectives as well as strengthening our position for the future. We have also been successful in attracting new business to the group which too has contributed to the positive result in the year.

The majority of our funding is still obtained by tendering for the delivery of our specialist services. Our funders include Local Authorities, CCG's, Skills Funding Agency, the Big Lottery, DWP and charitable grants and donations.

Total group income for the year was £65.1m, representing an increase in income of 30% on 2019/20 with a group surplus of funds totaling £4m.

Total group funds carried forward of £12.6m comprise group unrestricted funds totaling £12.4m and restricted funds totaling £235k.

Restricted funds relate to unspent elements of funds received for restricted purposes.

In year, Humankind purchased services from More Time (UK) Limited to the value of £237,105, relating to premises cleaning work. This represents 84% of More Time's income for the year. More Time has made a surplus of £30,183 in the year.

We have continued to exercise tight financial controls over cash flow and to retain a high level of liquidity that is adequate for us to service our existing commitments and to invest in our growth areas.

Strategic report

Reserves policy

Following the review of our reserves policy in the last financial year, we believe that the target level set continues to be sufficient for the needs of our organisation. Our reserves policy is set at an equivalent to one month of total resources expended.

Such a level of reserves would provide a buffer to enable the organisation to make provisions for the loss of a major service whilst maintaining effective management and administration of the group. These reserves also provide working capital to enable development of service provision.

Based on the above, target reserves would have needed to have been £5.2m. The actual free reserves balance of £6.5m exceeds our target. We continue to review the requirements for setting an appropriate reserves policy, to ensure we are able to continue to meet our charities aspirations in the future.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity and group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Engagement with employees and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Group and the Charity carry out exit interviews for all staff leaving the organisation and have adopted a procedure of upward feedback for senior management and the Trustees.

The Group and the Charity have implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Group and the Charity's equal opportunities policy, the Group and the Charity have long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Charity's offices.

Strategic report (continued)

Greenhouse gas emissions, energy consumption and energy efficiency action

UK Greenhouse gas emissions and engery use data for the period 1 April 2020 to 31 March 2021.

Energy consumption break down (kWh):

- Natural Gas for Heating - 766,583 kWh (141 tonnes CO2e)
- Electricity - 596,872 kWh (151 tonnes CO2e)
- Transport - 365,902 kWh (87 tonnes CO2e)
- Total - 1,729,357 kWh (379 tonnes CO2e)

The data and information contained in this document is calculated and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, March 2019.

An operational approach has been used to define the Greenhouse Gas emissions boundary. This approach captures emissions associated with the operation of all buildings within the scope of the regulation, plus transport; company-owned, leased and private vehicles used for business travel. This report covers UK operations only, as required by SECR for Non-Quoted Large Companies. There are no material omissions from the mandatory scope 1, 2 and 3 emissions.

The carbon and energy consumption associated with the operation of buildings includes the consumption electricity and gas, in those instances where Humankind have direct responsibility for paying for the electricity and gas consumption, through a metering and utility invoices.

In other circumstances, where Humankind is a tenant in a building, for which they have no maintenance or operation control, for example control over the infrastructure or building service, or where they operate managed services, energy consumption has been included in those instances it is considered material to the environmental impact of the group i.e. where energy consumption is a significant percentage of the total Estate or where it can be affected by Humankind.

This approach reflects the complexity of the Humankind Estate and often-complicated arrangements between landlord, tenant and project funder, where the utility invoices are not directly paid by Humankind. For example, Humankind operate as a social landlord, where a property may be rented but a tenant installed. The tenant is ultimately responsible for controlling consumption and the landlord for the building's infrastructure, services and maintenance. Other examples include where the charity manages a commissioned service, where staffed services are provided only, with Humankind having no responsibility for maintenance, nor the ability to improve the building infrastructure, services or energy efficiency, often these examples have the cost of utilities recharged to the funder.

Approximately 8% of energy consumption data, is based on estimated data due to the availability of meter readings and data, this is deemed permittable with the guidelines.

Emissions have been calculated using the latest conversion factors provided by the UK Government. There are no material omissions from the mandatory reporting scope.

The reporting period is April 2020 to March 2021, in accordance with the financial reporting period.

Strategic report (continued)

Greenhouse gas emissions, energy consumption and energy efficiency action (continued)

Humankind have progressed LED roll-out at several of properties on their estate, replacing the old lighting with energy efficient alternatives as and when it fails but recognise a strategy is needed to assess the Estate and reduce our emissions in the longer-term, this strategy is a key consideration for the next financial year.

In accordance with the legislation an intensity ratio has been calculated, this expresses the business' annual emissions in relation to a quantifiable factor or normaliser. The intensity ratio calculated for Humankind is **6.83 tonnes CO2 per £m revenue is 62% lower than last year.**

Value for money statement

Humankind is committed to delivering Value for Money (VfM) as an integral part of its business strategy.

The aims and objectives of VfM will be incorporated within each Service Delivery Units (SDU) Business Plans and will be imbedded across all areas of service delivery.

It is our aim to continually assess opportunities to enhance our services and actively involve our employees, service users and partners to achieve value for money.

We will continually seek value by sourcing the best materials at the best price. We will always look for ways to make our services work more efficiently and effectively.

To meet our commitment to achieving VfM, Humankind has set itself the following objectives:

- Integrate VfM principles throughout the organisation
- Incorporate VfM within everything we do
- Avoid duplication and simplify processes
- Identify ineffective processes and implement appropriate changes
- Adopt recognised good practice to identify VfM opportunities and procedures
- Seek innovative methods to achieve VfM both in value and savings
- Respond to opportunities that enhance our VfM objectives
- Ensure all staff recognise how their actions impacts on VfM
- Promote VfM across our services, with service users, partners and Boards
- Build strong partnerships with suppliers and contractors
- Seek continuous improvement to achieve efficiency

Value for Money Metrics as at 31 March 2021

		2021	2020
Metric 1	Reinvestment %	**18%**	16%
Metric 2A	New supply delivered % (social housing units)	**8%**	24%
Metric 2B	New supply delivered % (non-social housing units)	**0%**	0%
Metric 3	Gearing %	**-23%**	-145%
Metric 4	EBITDA MRI interest cover %	**-1,116%**	32,845%
Metric 5	Headline social housing cost per unit	**£8,797**	£7,658
Metric 6A	Operating margin % (social housing lettings only)	**4%**	5%
Metric 6B	Operating margin % (overall)	**4%**	9%
Metric 7	Return on capital employed	**19%**	50%

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic 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 . Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 30th September 2021 and signed on their behalf by:

J Black
(Chair of Trustees)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUMANKIND CHARITY

Opinion

We have audited the financial statements of Humankind Charity (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 balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and 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 of 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUMANKIND CHARITY (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion 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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUMANKIND CHARITY (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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 the 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 the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, to detect material misstatements in respect of irregularities, including
fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Group. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of noncompliance throughout the audit. We determined the most significant of these to be around employment law, charity law, company law, health and safety law, taxation law and GDPR
- Enquiry of directors and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of Board minutes and correspondence with regulators
- Enquiry of directors and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Auditors' responsibilities for the audit of the financial statements (continued)

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations.

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

Use of 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Beaumont BA(Hons) BFP FCA DChA (Senior statutory auditor)

for and on behalf of
Clive Owen LLP

Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date: 1st October 2021

HUMANKIND CHARITY

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Income from:					
Donations and legacies	4	**37,516**	**40,400**	**77,916**	*5,153,245*
Charitable activities	5	**50,228,633**	**14,741,625**	**64,970,258**	*44,898,374*
Other trading activities	6	**56,089**	**-**	**56,089**	*34,742*
Investments	7	**863**	**-**	**863**	*20,769*
Other income		**7,854**	**-**	**7,854**	*18,750*
Total income		**50,330,955**	**14,782,025**	**65,112,980**	*50,125,880*
Expenditure on:					
Raising funds		**251,347**	**-**	**251,347**	*234,989*
Charitable activities	8	**47,146,142**	**14,728,927**	**61,875,069**	*45,363,592*
Other expenditure	9	**(1,032,828)**	**-**	**(1,032,828)**	*161,000*
Total expenditure		**46,364,661**	**14,728,927**	**61,093,588**	*45,759,581*
Net income		**3,966,294**	**53,098**	**4,019,392**	*4,366,299*
Transfers between funds	23	**(8,237)**	**8,237**	**-**	*-*
Net movement in funds before other recognised gains/(losses)		**3,958,057**	**61,335**	**4,019,392**	*4,366,299*
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	29	**(60,000)**	**-**	**(60,000)**	*67,000*
Net movement in funds		**3,898,057**	**61,335**	**3,959,392**	*4,433,299*
Reconciliation of funds:					
Total funds brought forward		**8,496,185**	**173,641**	**8,669,826**	*4,236,527*
Net movement in funds		**3,898,057**	**61,335**	**3,959,392**	*4,433,299*
Total funds carried forward		**12,394,242**	**234,976**	**12,629,218**	*8,669,826*

HUMANKIND CHARITY

(A company limited by guarantee)
REGISTERED NUMBER: 01820492

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	15		-		-
Tangible assets	16		**8,517,543**		*7,329,952*
Investments	17		**1**		*35,001*
			8,517,544		*7,364,953*
Current assets					
Stocks	18	**129,143**		*58,945*	
Debtors	19	**6,713,956**		*8,555,935*	
Cash at bank and in hand		**10,669,327**		*4,850,960*	
		17,512,426		*13,465,840*	
Creditors: amounts falling due within one year	20	**(10,830,132)**		*(10,122,636)*	
Net current assets			**6,682,294**		*3,343,204*
Total assets less current liabilities			**15,199,838**		*10,708,157*
Creditors: amounts falling due after more than one year	21		**(2,355,702)**		*(1,928,331)*
Provisions for liabilities	22		**(42,918)**		-
Net assets excluding pension liability			**12,801,218**		*8,779,826*
Defined benefit pension scheme liability	29		**(172,000)**		*(110,000)*
Total net assets			**12,629,218**		*8,669,826*
Charity funds					
Restricted funds	23		**234,976**		*173,641*
Unrestricted funds					
Unrestricted funds excluding pension asset	23	**12,566,242**		*8,606,185*	
Pension reserve	23	**(172,000)**		*(110,000)*	
Total unrestricted funds	23		**12,394,242**		*8,496,185*
Total funds			**12,629,218**		*8,669,826*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on ....30th September 2021..... and signed on their behalf by:

J Black
(Chair of Trustees)

HUMANKIND CHARITY

(A company limited by guarantee)
REGISTERED NUMBER: 01820492

CHARITY BALANCE SHEET
AS AT 31 MARCH 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	16		**8,450,420**		*7,329,952*
Investments	17		**1,032,830**		*35,002*
			9,483,250		*7,364,954*
Current assets					
Stocks	18	**128,278**		*57,129*	
Debtors	19	**6,199,624**		*8,741,688*	
Cash at bank and in hand		**8,832,719**		*4,817,181*	
		15,160,621		*13,615,998*	
Creditors: amounts falling due within one year	20	**(9,890,197)**		*(10,082,732)*	
Net current assets			**5,270,424**		*3,533,266*
Total assets less current liabilities			**14,753,674**		*10,898,220*
Creditors: amounts falling due after more than one year	21		**(2,355,702)**		*(1,928,331)*
Net assets excluding pension liability			**12,397,972**		*8,969,889*
Defined benefit pension scheme liability	29		**(172,000)**		*(110,000)*
Total net assets			**12,225,972**		*8,859,889*
Charity funds					
Restricted funds	23	**234,976**		*173,641*	
Restricted funds	23		**234,976**		*173,641*
Unrestricted funds					
Unrestricted funds excluding pension liability	23	**11,130,168**		*8,796,248*	
Pension reserve	23	**(172,000)**		*(110,000)*	
Total unrestricted funds	23		**11,990,996**		*8,686,248*
Total funds			**12,225,972**		*8,859,889*

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on ..30th September 2021.. and signed on their behalf by:

J Black
(Chair of Trustees)

HUMANKIND CHARITY
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	*2020 £*
Cash flows from operating activities		
Net cash used in operating activities - Note 25	**7,690,144**	*(1,084,081)*
Cash flows from investing activities		
Dividends, interests and rents from investments	**14,188**	*20,769*
Purchase of tangible fixed assets	**(1,889,718)**	*(1,256,392)*
Proceeds from sale of investments	**35,000**	*-*
Net cash used in investing activities	**(1,840,530)**	**(1,235,623)**
Cash flows from financing activities		
Repayments of borrowing	**(31,247)**	*(31,434)*
Cash received on merger	**-**	*1,528,323*
Net cash (used in)/provided by financing activities	**(31,247)**	**1,496,889**
Change in cash and cash equivalents in the year	**5,818,367**	**(822,815)**
Cash and cash equivalents at the beginning of the year	**4,850,960**	*5,673,775*
Cash and cash equivalents at the end of the year	**10,669,327**	*4,850,960*

The notes on pages 24 to 53 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

Humankind Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Income

Voluntary income is received by way of donations and is included in full in the Statement of Financial Activities when received.

Income from charitable activities includes income recognised as earned where the related services are provided under contract or where entitlement to grant funding is subject to specific performance conditions. Grant income included in funding is subject to specific performance conditions. Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Income is deferred where grants have been received for a future period and is released to incoming resources in the period for which it has been received.

Grants received for the purchase of fixed assets are recognised in full when received in the Statement of Financial Activities.

Investment income is recognised on a receivable basis.

Property rental income represents all rental and service charge receivable when it falls due and amortised capital grant.

All incoming resources are included gross and no expenditure has been netted off from the income.

2. Accounting policies (continued)

2.3 Expenditure

Expenditure is recognised on an actual basis when a liability is incurred. Expenditure is net of recoverable VAT where conditions for recovery are met. All other expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprises the support costs from central functions associated with attracting voluntary income.

Charitable group expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable group activities. Governance costs are those incurred in connection with administration of the charitable group and compliance with constitutional and statutory requirements.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance, finance, information technology, human resources and quality. These costs have been allocated to expenditure on charitable activities.

Charitable activities and Governance costs are costs incurred on the charitable group's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.5 Taxation

The charity is exempt from taxation on its charitable activities.

2. Accounting policies (continued)

2.6 Intangible assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation has been fully provided within the year.

2.7 Tangible fixed assets and depreciation

Social housing properties for letting

Housing properties are stated at cost less accumulated depreciation.

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

Freehold housing properties are depreciated by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

	Years
Structures	50
Roof	25
Kitchen	10
Bathroom	10
Heating system	10
Windows	10
Doors	10

At each reporting date the Charitable group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% - 50% on cost
Longterm leasehold property	- in line with lease agreement
Motor vehicles	- 20% - 33.33% on cost
Fixtures and fittings	- 20% - 50% on cost
Computer equipment	- 20% on cost

Social housing grant

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised over the estimated useful life of the asset structure, under the accruals model.

On disposal of properties which have been wholly or partly by Social Housing Grant, the grant is recycled as required by the Homes and Communities Agency, an will be utilised against future approved projects.

Recycling of capital grants

Where Social Housing Grant is recycled, as described above, the Social Housing Grant is credited to a fund which is shown as a creditor until used to fund the acquisition of new properties.

Impairments

Housing properties are assessed at each year end to assess whether or not there is any evidence that an asset may be impaired. If there is evidence of impairment, an impairment loss is recognised in the Statement of Financial Activities immediately.

Major Repairs

Major repairs are capitalised to the extent that they relate to the replacement or restoration of a separately identified property component or where the expenditure results in the enhancement of the economic benefits of the assets such as an increase in rental income, a reduction in future maintenance costs or a significant extension to its useful economic life. In any other circumstances repairs are charged to the income and expenditure account as incurred.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are stated at cost less provision for impairment.

2. Accounting policies (continued)

2.9 Stocks

Stocks is valued at the lower of cost and net realisable value. Stock comprises I.T. equipment, stationery, refreshments, cartridges and marketing material held for future use.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity and group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.13 Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

2.16 Pensions

The group operates a defined contribution pension scheme. The group has no liability under the scheme other than payment of those contributions to a separately administered fund. The group also has two members of staff who are members of the West Yorkshire Pension Fund, a Local Government Pension Scheme (LGPS). This is a defined benefit scheme. The group has obtained an LGPS valuation as at 31 March 2021.

2. Accounting policies (continued)

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charitable group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. In the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

3. Critical accounting estimates and areas of judgment (continued)

Critical areas of judgment:

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of the asset. An estimate of the useful life of the assets is detailed in the tangible fixed assets and depreciation accounting policy. The value of depreciation charge during the year was £702,127.

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Donations	37,516	40,400	**77,916**	*5,153,245*
Total 2020	*5,110,013*	*43,232*	*5,153,245*	

5. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Central support services	9,673,834	187,387	**9,861,221**	*25,002*
Young people and families	1,204,205	82,372	**1,286,577**	*1,384,055*
Health	32,902,033	12,065,826	**44,967,859**	*35,171,218*
Criminal justice	-	-	**-**	*564,177*
Housing and independent living	6,133,371	67,441	**6,200,812**	*6,332,760*
Education and employment	315,190	2,338,599	**2,653,789**	*1,421,162*
Total 2021	50,228,633	14,741,625	**64,970,258**	*44,898,374*
Total 2020	*30,043,195*	*14,855,179*	*44,898,374*	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
More Time (UK) Limited	56,089	**56,089**	*34,742*
Total 2020	*34,742*	*34,742*	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Investment income	863	**863**	*20,769*
Total 2020	*20,769*	*20,769*	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Central support services	9,082,541	187,387	**9,269,928**	*1,213,466*
Young people and families	1,096,311	82,373	**1,178,684**	*1,309,673*
Health	30,807,107	12,007,051	**42,814,158**	*34,761,370*
Criminal justice	-	-	**-**	*524,001*
Housing and independent living	5,687,628	109,005	**5,796,633**	*6,102,935*
Education and employment	472,555	2,343,111	**2,815,666**	*1,452,147*
	47,146,142	14,728,927	**61,875,069**	*45,363,592*
Total 2020	*30,425,861*	*14,937,731*	*45,363,592*	

9. Other expenditure

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Pension fund liability	-	**-**	*161,000*
Goodwill on consolidation	(1,032,828)	**(1,032,828)**	-
	(1,032,828)	**(1,032,828)**	*161,000*
Total 2020	*161,000*	*161,000*	

In 2020 the charity included the LGPS liability on its balance sheet. Prior to this as it was an immaterial amount it was included as a note to the accounts. The entire LGPS liability as at 31 March 2019 of £161,000 was recognised as a cost in the 2020 financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	*Total funds 2020 £*
Central support services	9,085,815	184,113	**9,269,928**	*1,213,466*
Young people and families	1,053,416	125,268	**1,178,684**	*1,309,673*
Health	39,330,272	3,483,886	**42,814,158**	*34,761,370*
Criminal justice	-	-	**-**	*524,001*
Housing and independent living	5,395,753	400,880	**5,796,633**	*6,102,935*
Education and employment	2,665,991	149,675	**2,815,666**	*1,452,147*
	57,531,247	4,343,822	**61,875,069**	*45,363,592*
Total 2020	*40,320,112*	*5,043,480*	*45,363,592*	

11. Auditors' remuneration

	2021 £	*2020 £*
Fees payable to the Charity's auditor and its associates for the audit of the Charity's annual accounts	**39,500**	*19,500*
Fees payable to the Charity's auditor and its associates in respect of:		
All non-audit services not included above	**-**	*1,000*

12. Staff costs

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Wages and salaries	**34,627,165**	*25,398,753*	**29,339,617**	*25,218,546*
Social security costs	**2,948,296**	*2,171,799*	**2,517,927**	*2,166,513*
Contribution to defined contribution pension schemes	**1,422,994**	*968,898*	**1,177,298**	*968,358*
Operating costs of defined benefit pension schemes	**(1,000)**	*12,000*	**(1,000)**	*12,000*
	38,997,455	*28,551,450*	**33,033,842**	*28,365,417*

12. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	Group 2021 No.	*Group 2020 No.*	Company 2021 No.	*Company 2020 No.*
Charitable activities	**1,272**	*887*	**1,044**	*887*
Governance	**2**	*2*	**2**	*2*
Support activities	**100**	*97*	**100**	*97*
Generating funds	**36**	*29*	**-**	*-*
	1,410	*1,015*	**1,146**	*986*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	*Group 2020 No.*
In the band £60,001 - £70,000	**2**	*2*
In the band £70,001 - £80,000	**2**	*2*
In the band £80,001 - £90,000	**3**	*5*
In the band £90,001 - £100,000	**4**	*3*
In the band £100,001 - £110,000	**1**	*-*
In the band £110,001 - £120,000	**1**	*1*

Total employment benefits paid by the Group in the year in respect of the key management personnel were £960,728 (2020: £716,609).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2020 - £NIL)*.

During the year ended 31 March 2021, expenses totalling £985 were reimbursed or paid directly to 2 Trustees *(2020 - £5,525 to 3 Trustees)*.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14. Income and expenditure from social housing

	2021 £	*2020 £*
Income from social housing letting activities		
Rent receivable	**2,624,613**	*2,349,159*
Service charge income	**-**	*-*
Gross rent receivable	**2,624,613**	*2,349,159*
Rent losses from voids	**(357,970)**	*(300,807)*
Net rents receivable	**2,266,644**	*2,048,352*
Amortised government grants	**96,868**	*88,117*
Other income	**6,944**	*13,880*
Total income from social housing letting activities	**2,370,456**	*2,150,349*
Expenditure on social housing letting activities		
Management	**398,593**	*333,515*
Other costs	**1,437,114**	*1,321,699*
Maintenance	**272,334**	*239,513*
Depreciation	**165,502**	*145,855*
Total expenditure on social housing letting activities	**2,273,543**	*2,040,582*
Operating surplus on social housing letting activities	**96,913**	*109,767*
Accommodation in Management		
Supported housing – No. of units	**274**	**258**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

15. Intangible assets

Group

	Goodwill £	Negative goodwill £	Total £
Cost			
At 1 April 2020	**42,000**	**-**	**42,000**
Additions	**-**	**(1,032,828)**	**(1,032,828)**
At 31 March 2021	**42,000**	**(1,032,828)**	**(990,828)**
Amortisation			
At 1 April 2020	**42,000**	**-**	**42,000**
Charge for the year	**-**	**(1,032,828)**	**(1,032,828)**
At 31 March 2021	**42,000**	**(1,032,828)**	**(990,828)**
Net book value			
At 31 March 2021	**-**	**-**	**-**
At 31 March 2020	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

16. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Social housing properties held for letting £	Total £
Cost or valuation							
At 1 April 2020	**5,393,520**	**4,155,713**	**143,646**	**1,532,415**	**-**	**-**	**11,225,294**
Additions	**829,560**	**520,559**	**3,587**	**329,357**	**125,743**	**-**	**1,808,806**
On acquisition of subsidiaries	**-**	**-**	**26,280**	**262,920**	**-**	**-**	**289,200**
Disposals	**-**	**-**	**-**	**(88,866)**	**-**	**-**	**(88,866)**
Transfers between classes	**3,866,905)**	**(808,555)**	**-**	**-**	**-**	**4,675,460**	**-**
At 31 March 2021	**2,356,175**	**3,867,717**	**173,513**	**2,035,826**	**125,743**	**4,675,460**	**13,234,434**
Depreciation							
At 1 April 2020	**589,885**	**1,950,226**	**84,810**	**1,270,421**	**-**	**-**	**3,895,342**
Charge for the year	**174,676**	**292,915**	**30,927**	**197,893**	**5,716**	**-**	**702,127**
On disposals	**-**	**-**	**-**	**(88,866)**	**-**	**-**	**(88,866)**
Transfers between classes	**(366,357)**	**(453,461)**	**-**	**-**	**-**	**819,818**	**-**
On acquisition of subsidiaries	**-**	**-**	**26,280**	**182,008**	**-**	**-**	**208,288**
At 31 March 2021	**398,204**	**1,789,680**	**142,017**	**1,561,456**	**5,716**	**819,818**	**4,716,891**
Net book value							
At 31 March 2021	**1,957,971**	**2,078,037**	**31,496**	**474,370**	**120,027**	**3,855,642**	**8,517,543**
At 31 March 2020	*4,803,635*	*2,205,487*	*58,836*	*261,994*	*-*	*-*	*7,329,952*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. **Tangible fixed assets (continued)**

Company

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Social housing properties held for letting £	Total £
Cost or valuation							
At 1 April 2020	**5,386,800**	**4,155,713**	**143,646**	**1,527,317**	**-**	**-**	**11,213,476**
Additions	**829,560**	**520,559**	**3,587**	**281,952**	**125,743**	**-**	**1,761,401**
Transfers between classes	**(3,866,905)**	**(808,555)**	**-**	**-**	**-**	**4,675,460**	**-**
At 31 March 2021	**2,349,455**	**3,867,717**	**147,233**	**1,809,269**	**125,743**	**4,675,460**	**12,974,877**
Depreciation							
At 1 April 2020	**583,165**	**1,950,226**	**84,810**	**1,265,323**	**-**	**-**	**3,883,524**
Charge for the year	**174,676**	**292,915**	**30,927**	**136,699**	**5,716**	**-**	**640,933**
Transfers between classes	**(366,357)**	**(453,461)**	**-**	**-**	**-**	**819,818**	**-**
At 31 March 2021	**391,484**	**1,789,680**	**115,737**	**1,402,022**	**5,716**	**819,818**	**4,524,457**
Net book value							
At 31 March 2021	**1,957,971**	**2,078,037**	**31,496**	**407,247**	**120,027**	**3,855,642**	**8,450,420**
At 31 March 2020	*4,803,635*	*2,205,487*	*58,836*	*261,994*	*-*	*-*	*7,329,952*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

17. Fixed asset investments

Group	Investments £
Cost or valuation	
At 1 April 2020	**35,001**
Disposals	**(35,000)**
At 31 March 2021	**1**
Net book value	
At 31 March 2021	**1**
At 31 March 2020	*35,001*

17. Fixed asset investments (continued)

Charity	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	**35,002**
Additions	**1,032,828**
Disposals	**(35,000)**
At 31 March 2021	**1,032,830**
Net book value	
At 31 March 2021	**1,032,830**
At 31 March 2020	*35,002*

Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Charity registration number	Holding
More Time (UK) Limited	07738729		100%
The Sector Group Limited (dormant)	07738950		100%
E D P Drug & Alcohol Services	2145656	0297370	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
More Time (UK) Limited	**293,194**	**263,011**	**30,183**	**(267,684)**
The Sector Group Limited (dormant)	**-**	**-**	**-**	**1**
E D P Drug & Alcohol Services	**9,616,943**	**9,053,817**	**563,126**	**1,595,954**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

18. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Raw materials and consumables	**865**	*1,816*	**-**	*-*
Finished goods and goods for resale	**128,278**	*57,129*	**128,278**	*57,129*
	129,143	*58,945*	**128,278**	*57,129*

19. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due within one year				
Trade debtors	**4,189,833**	*6,410,020*	**3,628,845**	*6,397,774*
Amounts owed by group undertakings	**-**	*-*	**110,408**	*114,169*
Amounts owed by participating interests	**-**	*-*	**68,712**	*83,776*
Other debtors	**238,336**	*49,331*	**209,151**	*49,331*
Prepayments and accrued income	**2,285,787**	*2,096,584*	**2,182,508**	*2,096,638*
	6,713,956	*8,555,935*	**6,199,624**	*8,741,688*

20. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	**31,742**	*32,599*	**31,742**	*32,599*
Trade creditors	**3,653,579**	*1,858,373*	**3,339,564**	*1,855,754*
Other taxation and social security	**991,457**	*783,493*	**869,141**	*760,715*
Other creditors	**467,315**	*412,126*	**380,888**	*411,929*
Accruals and deferred income	**5,686,039**	*7,036,045*	**5,268,862**	*7,021,735*
	10,830,132	*10,122,636*	**9,890,197**	*10,082,732*

20. Creditors: Amounts falling due within one year (continued)

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Deferred income at 1 April 2020	**5,546,346**	*4,494,482*	**5,029,202**	*4,493,942*
Resources deferred during the year	**3,476,504**	*5,546,346*	**3,342,038**	*5,029,202*
Amounts released from previous periods	**(5,546,346)**	*(4,494,482)*	**(5,029,202)**	*(4,493,942)*
	3,476,504	*5,546,346*	**3,342,038**	*5,029,202*

Deferred income comprises amounts received for use in future accounting periods.

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

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Bank loans	**226,020**	*256,410*	**226,020**	*256,410*
Other creditors	**2,129,682**	*1,671,921*	**2,129,682**	*1,671,921*
	2,355,702	*1,928,331*	**2,355,702**	*1,928,331*

Bank loans totaling £257,762 (2020: £289,009) are secured on the assets to which they relate.

22. Provisions

Group

	Dilapidations £
Additions	42,918
	42,918

Charity

No provisions are held in the parrent charity.

23. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Fixed Asset Reserve	80,912	-	(61,194)	47,405	-	67,123
General funds						
Unrestricted funds	8,525,273	50,330,955	(46,301,467)	(55,642)	-	12,499,119
Pension reserve	(110,000)	-	(2,000)	-	(60,000)	(172,000)
	8,415,273	50,330,955	(46,303,467)	(55,642)	(60,000)	12,327,119
Total Unrestricted funds	8,496,185	50,330,955	(46,364,661)	(8,237)	(60,000)	12,394,242

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

23. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Restricted funds						
Big lottery	73,856	437,669	(437,669)	-	-	73,856
Independent living	21,290	73,006	(70,838)	-	-	23,458
Drugs and alcohol	478	11,628,550	(11,569,382)	-	-	59,646
Health, young people and families	78,017	82,372	(82,373)	-	-	78,016
Work and skills	-	2,338,799	(2,343,111)	4,312	-	-
Humankind housing	-	34,242	(38,167)	3,925	-	-
Central	-	29,998	(29,998)	-	-	-
OPCC	-	12,500	(12,500)	-	-	-
Sport England	-	48,806	(48,806)	-	-	-
Teignbridge rough sleeper initiative	-	17,227	(17,227)	-	-	-
Avon and Somerset PCC	-	18,750	(18,750)	-	-	-
Petroc College	-	14,999	(14,999)	-	-	-
Exeter City Council	-	14,742	(14,742)	-	-	-
National Lottery Community Fund	-	30,365	(30,365)	-	-	-
	173,641	14,782,025	(14,728,927)	8,237	-	234,976
Total of funds	8,669,826	65,112,980	(61,093,588)	-	(60,000)	12,629,218

23. Statement of funds (continued)

Unrestricted funds represents resouces available for general work, it also includes donations following acquisition with E D P Drug & Alcohol Services along with unrestricted project income identified in note 4.

Name of restricted fund, description, nature and purpose of the fund.

Big Lottery - WY-FI (main contract)
Aims to improve the lives and well being of people with entrenched multiple needs, who are currently the most disengaged and discounnected from services.

Health, young people and families
Offering vocational training to young people whom may have left school without any qualifications. Offering support advice to young people with LGBT concerns and interest both personally or within their family.

Drugs and alcohol
Supporting people to enter recovery oriented drug and alcohol service, choose abstinence, achieve recovery, reduce risk taking behaviour and improve local communities. Intergrated substance misues service that encourages, supports and empowers individuals to take responsibility and control of their lives.

Independent living
Helping vulnerable people in the community who may be homeless, at risk of homelessness or at risk of losing their tenancy. Providing services which support vulnerable people to get the right tenancy for them, and to develop the skills to maintain that tenancy.

Work and skills
Offering specialist education and employment services to vulnerable people to identify and address the barriers to their employment, to advocate with employers and to create opportunities which lead to healthier, positive and more stable lives.

Humankind housing
A registered provider of housing offering a solution that means we can provide housing for people with issues often considered by private landlords to be high risk. Humankind Housing has stepped in with a solution that bridges the divide.

Office of the Police and Crime Commissioner, Devon & Cornwall (OPCC)
This fund represents a grant from OPCC for the delivery of a Prisoner Resettlement Pilot at HMP Exeter, specifically provision of a Resettlement Coordinator and the Departure Lounge Café. The grant was fully spent in the year with the project now extended from September 2020 for another 12 months.

Avon and Somerset PCC
This fund represents a grant from ASPCC to continue our Prisoner resettlement Project at HMP Exeter for 12 months from September 2020. This is specifically for provision of a Resettlement Coordinator and the Departure Lounge Café. Half of the grant was spent in year with the balance to be spent in the first 6 months of the year to 31 March 2022.

Sport England
This fund represents a three year grant by Sport England for their Flourish in Nature project using National Lottery funding. Specifically it is to be used to train up cohorts of volunteer outdoor activity leaders in Devon.

Petroc College
This fund represents a grant awarded by Petroc College as part of their wider project funded by the European Social Fund specifically to be used to continue to develop the scalability and sustainability of EDP's social enterprise Hidden Gems. The grant received so far was fully spent in the year and there is the potential to draw down a small amount of further funding during the year to 31 March 2022.

23. Statement of funds (continued)

Exeter City Council
This fund represents a grant by Exeter City Council for the employment of a specialist navigator for 12 months, under Exeter's award of funding through the Rough Sleeper Rapid Rehousing Pathway programme.

National Lottery Awards for All
A grant awarded by the National Lottery Awards for All for Devon Time (time banking project), specifically for a Time Broker (working 15 hours per week for 43 weeks) to develop Time Bank branches across Torridge and North Devon.

Teignbridge rough sleeper initiative
This fund represents a grant from Teignbridge District Council and South Hams & West Devon Council to contribute towards an outreach service which will work alongside the existing rough sleeper outreach services covering both districts. The original grant was to cover the period to 31 March 2021 but the funding has now been extended to 31 August 2021.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

23. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2019 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 March 2020* £
Unrestricted funds						
Unrestricted funds	*4,052,672*	*35,227,469*	*(30,644,850)*	*(29,106)*	-	*8,606,185*
Defined benefit pension scheme	-	-	*(177,000)*	-	*67,000*	*(110,000)*
	4,052,672	35,227,469	(30,821,850)	*(29,106)*	*67,000*	*8,496,185*
Restricted funds						
Big lottery	*73,850*	*1,221,241*	*(1,221,235)*	-	-	*73,856*
Independent living	*21,084*	*68,812*	*(68,606)*	-	-	*21,290*
Drugs and alcohol	*2,490*	*12,189,178*	*(12,191,190)*	-	-	*478*
Health, young people and families	*86,431*	*189,717*	*(198,131)*	-	-	*78,017*
Work and skills	-	*1,164,870*	*(1,192,070)*	*27,200*	-	-
Humankind housing	-	*39,591*	*(41,497)*	*1,906*	-	-
Central	-	*25,002*	*(25,002)*	-	-	-
	183,855	14,898,411	(14,937,731)	*29,106*	-	*173,641*
Total of funds	*4,236,527*	*50,125,880*	*(45,759,581)*	-	*67,000*	*8,669,826*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	5,874,573	2,642,970	**8,517,543**
Fixed asset investments	1	-	**1**
Current assets	12,796,067	4,716,359	**17,512,426**
Creditors due within one year	(5,835,461)	(4,994,671)	**(10,830,132)**
Creditors due in more than one year	(226,020)	(2,129,682)	**(2,355,702)**
Provisions for liabilities and charges	(214,918)	-	**(214,918)**
Total	12,394,242	234,976	**12,629,218**

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	*Restricted funds 2020 £*	*Total funds 2020 £*
Tangible fixed assets	5,737,972	1,591,980	*7,329,952*
Fixed asset investments	35,001	-	*35,001*
Current assets	9,135,790	4,330,050	*13,465,840*
Creditors due within one year	(5,525,205)	(4,597,431)	*(10,122,636)*
Creditors due in more than one year	(777,373)	(1,150,958)	*(1,928,331)*
Provisions for liabilities and charges	(110,000)	-	*(110,000)*
Total	8,496,185	173,641	*8,669,826*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	*Group 2020 £*
Net income for the year (as per Statement of Financial Activities)	**4,019,392**	*4,366,299*
Adjustments for:		
Depreciation charges	**702,127**	*839,164*
Goodwill amortisation	**(1,032,828)**	*-*
Gains on investments	**1,032,828**	*-*
Dividends, interests and rents from investments	**(14,188)**	*(20,769)*
Loss on the sale of fixed assets	**-**	*8,032*
Decrease/(increase) in stocks	**(70,198)**	*-*
Decrease/(increase) in debtors	**1,841,979**	*(2,013,095)*
Increase in creditors	**1,209,032**	*663,353*
Pension fund resources expended	**2,000**	*177,000*
Donation on merger	**-**	*(5,104,065)*
Net cash provided by/(used in) operating activities	**7,690,144**	*(1,084,081)*

26. Analysis of cash and cash equivalents

	Group 2021 £	*Group 2020 £*
Cash in hand	**10,669,327**	*4,850,960*
Total cash and cash equivalents	**10,669,327**	*4,850,960*

27. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	**4,850,960**	**5,818,367**	**10,669,327**
Debt due within 1 year	**(32,599)**	**857**	**(31,742)**
Debt due after 1 year	**(256,410)**	**30,390**	**(226,020)**
	4,561,951	**5,849,614**	**10,411,565**

28. Capital commitments

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Contracted for but not provided in these financial statements				
Acquisition of software and training	-	*132,046*	-	*132,046*

29. Pension commitments

The Group operates a defined benefit pension scheme.

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee administered funds. The total contribution made for the year ended 31 March 2021 was £10,000 (2020 - £9,000), of which employer's contributions totalled £8,000 (2020 - £7,000) and employees' contributions totalled £2,000 (2020 - £2,000).The agreed contribution rates for future years are 18.6% for employers and 5.5% - 10.5% for employees.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 March 2021 %	*At 31 March 2020 %*
Discount rate	**2.10**	*2.30*
Future salary increases	**3.85**	*3.05*
Future pension increases	**2.60**	*1.80*
CPI inflation	**2.60**	*1.80*

	At 31 March 2021 Years	*At 31 March 2020 Years*
Mortality rates (in years)		
- for a male aged 65 now	**21.9**	*21.8*
- at 65 for a male aged 45 now	**22.6**	*22.5*
- for a female aged 65 now	**24.7**	*24.6*
- at 65 for a female aged 45 now	**25.8**	*25.7*

29. Pension commitments (continued)

Sensitivity analysis

	At 31 March 2021 £	*At 31 March 2020 £*
Discount rate +0.1%	**300,000**	*201,000*
Discount rate -0.1%	**320,000**	*215,000*
Mortality assumption - 1 year increase	**299,000**	*201,000*
Mortality assumption - 1 year decrease	**321,000**	*215,000*
CPI rate +0.1%	**303,000**	*213,000*
CPI rate -0.1%	**317,000**	*203,000*

The Group's share of the assets in the scheme was:

	At 31 March 2021 £	*At 31 March 2020 £*
Equities	**111,000**	*75,950*
Gilts	**12,000**	*9,408*
Corporate bonds	**6,000**	*4,998*
Property	**5,000**	*4,410*
Cash and other liquid assets	**3,000**	*1,862*
Other	**2,000**	*2,372*
Total fair value of assets	**139,000**	*99,000*

The actual return on scheme assets was £24,000 *(2020 - £(11,000))*.

The amounts recognised in the Consolidated statement of financial activities are as follows:

	2021 £	*2020 £*
Current service cost	**13,000**	*13,000*
Past service cost	**-**	*6,000*
Interest income	**(2,000)**	*(3,000)*
Interest cost	**5,000**	*7,000*
Total amount recognised in the Consolidated statement of financial activities	**16,000**	*23,000*

29. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2021 £	2020 £
Opening defined benefit obligation	**202,000**	*261,000*
Contributions by scheme participants	**2,000**	*2,000*
Current service cost	**13,000**	*13,000*
Interest cost	**5,000**	*7,000*
Past service costs	**-**	*6,000*
Actuarial (gains) / losses	**82,000**	*(87,000)*
Closing defined benefit obligation	**304,000**	*202,000*

Movements in the fair value of the Group's share of scheme assets were as follows:

	2021 £	2020 £
Opening fair value of scheme assets	**99,000**	*103,000*
Expected return on assets	**2,000**	*4,000*
Contributions by scheme participants	**2,000**	*2,000*
Contributions by employer	**14,000**	*7,000*
Actuarial gains / (losses)	**22,000**	*(14,000)*
Adjustment to prior year by actuary	**-**	*(3,000)*
Closing fair value of scheme assets	**139,000**	*99,000*

30. Operating lease commitments

At 31 March 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	**1,016,294**	*742,779*	**823,492**	*742,779*
Later than 1 year and not later than 5 years	**2,385,225**	*1,942,862*	**1,941,147**	*1,942,862*
Later than 5 years	**819,445**	*533,012*	**746,745**	*533,012*
	4,220,964	*3,218,653*	**3,511,384**	*3,218,653*

31. Related party transactions

The Group has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Group at 31 March 2021.