

HF Trust Limited
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2023

Company Registration No. 734984

Charity Registration No. 313069

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Welcome from the Chair of Trustees

Alongside the wider social care sector, we stepped into 2022/2023 with optimism to emerge from the immediate impact of the pandemic. I feel incredibly proud that through the care, commitment and resilience of our staff teams, adults with a learning disability have continued to be able to enjoy as much independence, choice and control to live their best life possible. In spite of the challenges facing social care, the impact of the pandemic, and the more recent cost of living crisis, we have continued to make a difference every day. On behalf of the Board of Trustees, I would like to extend my heartfelt thanks to our staff teams, supporters and volunteers, who have helped to ensure the people we support can continue to realise their full potential. I also wanted to extend my thanks to Kirsty Matthews, who stepped down in December 2023 as Chief Executive Officer of Hft. We are grateful to Kirsty for supporting the organisation through the Covid-19 pandemic and leading the development of our future strategy, and we wish her well for the future.

2022 marked our 60th anniversary, a year in which we took the opportunity to reflect on and celebrate the best of Hft and our history, and to look ahead to our future against a challenging outlook. Following widespread consultation with learning disabled people, their families and our colleagues, we have developed our 10-year strategy, 'Hft 2033: Your Life, Your Way', which will launch later in 2024.

What had started as a health crisis during the pandemic, quickly turned into a national economic emergency over the last year, and it has been critical for us to reset and respond. Like many other social care organisations, we are grappling with multiple challenges including longstanding underfunding of the sector and our services, recruitment and retention difficulties of our social care workforce and a cost-of-living crisis.

From a broadly break-even position in 2021/2022, we have shifted to a stark deficit position in 2022/2023, reporting a £16.1m deficit. The key driver of the deficit has been that income has been insufficient to offset additional costs incurred by the organisation. At the outset, I would like to highlight that we have a clear programme of works to turn this deficit position around to ensure the long-term sustainability of Hft into the future.

Agency costs increased by £5.8m compared to 2021/2022 as a result of increased agency usage to deliver support. Sadly, as with many across the sector, recruitment and retention of staff has been a significant challenge for Hft, and the reliance on costly agency staffing

continued to grow. Agency costs represented 19% of total staffing costs in 2022/2023 compared with 12% in the prior year. One of the key priorities for the turnaround programme is returning agency usage to closer to sector averages.

The Helix programme added £2.7m of system implementation cost to 2022/23 and a further £1.5m of incremental ongoing IT cost to the organisation. The Helix system is now live across the organisation and being used for rostering, care planning, invoicing and paying suppliers, people management and maintenance of accounting records. The Helix system is providing increased visibility of key performance indicators and management information in several areas. Over the last year this has included improved data on the amount of accrued but untaken holiday across the organisation resulting in a one-off increase to the holiday pay accrual of £1.1m. Whilst we are yet to fully realise the benefits of each of the new systems, I am confident that digitising our care planning and support will help to improve our quality of care and create efficiencies in administering it and is an essential step for Hft to remain a key participant in the sector for the long term.

Staff costs increased by £3.8m due to a combination of increases to support worker pay not being offset by increased hourly rates paid by local authorities (£2.3m increase in costs), and decisions to restructure and increase capacity in our operational management, corporate and governance functions.

Hft exited services at Rowde and Bradford resulting in a reduction in revenue of £7.1m compared with 2021/2022. There was a corresponding reduction in staffing and other costs of £6.6m and therefore the net impact was a further £0.5m reduction in surplus compared with 2021/2022.

Reversing this material deficit and returning the organisation to a financially sustainable surplus is the key priority for myself and the Board of Trustees. We have engaged with stakeholders including financial institutions, CQC, professional accounting firms, Local Authorities, Staff and People we Support as part of this process. To date in 2023/2024 the organisation has already undertaken both voluntary and compulsory redundancy programmes across both its corporate and operational management structures. In total these programmes will reduce staffing costs by £3.5m. The organisation has also had to take some difficult decisions to stem the losses at certain services.

As we move into 2024 Hft has put in place a turnaround programme aimed at returning the organisation to financial sustainability under the leadership of a new Chief Executive, Steve

Veevers. The turnaround programme includes three separate elements. The first of these is a more focused operational turnaround programme, looking at bringing agency usage to an acceptable level, increasing recruitment of our permanent colleagues and improving the quality of the care that we provide. We have already seen significant progress in the delivery of our turnaround plan, with a 25% reduction in agency usage by January 2024 from its previous high in October. Alongside this is having the right sized and efficient corporate function to support our delivery. By the end of January 2024, we have already delivered an annualised £3.5m reduction in our overheads and as a result, the January management accounts are showing a £0.6m improvement in operating deficit. Although Hft have been fortunate not to need to rely on borrowing to support our finances prior to this financial year, as is becoming increasingly common across the sector, we have secured a £7m overdraft facility and £5m bridging loan to provide the necessary resources to fully deliver our turnaround plan. Whilst the sector continues to face funding and workforce pressures, we know that all social care providers will be operating under increasing risk over the coming years. However, we are confident our plan will put in place the foundations to ensure our long term sustainability. Simultaneously, we will continue to shine a light on the vital need for increased central Government funding using our annual Sector Pulse insight, advocating for positive change in the future.

The final part of the turnaround is a programme to making sure we have a robust mechanism to repay the debt incurred throughout the turnaround. Given the strength of our balance sheet, we have a plan in place to repay the overdraft and bridging loan and we will be exploring opportunities which will cause minimal impact to the people we support including the sale of properties to social landlords enabling Hft to remain as the support provider but releasing some of our capital in them. Other repayment routes will be through capital receipts of already or potentially vacant development sites. Further details of the Turnaround Programme are included in the Chief Executive's report.

The recruitment and staffing challenges and overarching financial pressures have contributed to a correlating drop from 91% to 86% in the overall services that are rated Good and Outstanding by the CQC. Irrespective of the cause, Hft has a renewed focus on making sure our core aim of providing good support is of the utmost priority. There continue to be pockets of services that have cultural and quality concerns, but these are well known and being addressed, as with any people focused business.

We have set out our long-term commitment to learning disabled adults in our future strategy, which will take us to 2024. Hft: Your Life. Your Way.

I look ahead to what will be a difficult but transformative couple of years for Hft, knowing that much needed change will set us up to deliver the best outcomes for people we support in our next strategy period from 2023 to 2033.



Amanda Bunce

Chair of the Hft Board of Trustees

Introduction from the Chief Executive Officer

I am delighted to be able to introduce myself as CEO of Hft, having had the privilege to be appointed to the position in January 2024. Introducing this pivotal year's Annual Review and Accounts, gives me an opportunity to reflect on the Hft journey of over 60 years, which I have long admired from my 25 years of experience across the social care and health sectors. In spite of the shadow of financial challenges facing the sector, I am proud to be able to lead the Executive team and wider organisation in wrestling these challenges head on. I would like to thank our incredible colleagues, volunteers and supporters for the ongoing positive impact we've been able to have on the lives of people with a learning disability.

It is hard to shy away from what is a substantial £16.1m deficit position, which portrays the size and scale of the challenges faced by organisations operating in the Social Care sector, with a "perfect storm" of issues being felt by Hft in 22/23. Our Sector Pulse Check report for 2023, is clear in showing that our struggles are ones that are faced by many providers, with 43% of providers handing back contracts or closing part of their organisation. We have been fortunate in having maintained a healthy balance sheet, with a strong portfolio of properties, which has been prudently managed over the years, which has allowed us to weather this very difficult year, when many other providers have been faced with considerations of exiting the provision of support altogether.

The financial challenges are well known; local authorities that are themselves financially stretched to breaking point meaning a squeeze on our income, increasing and unfunded costs on our suppliers and utilities, a very difficult recruitment position with domestic workers being hard to attract and retain, and subsequently, a necessary reliance on more costly agency staffing. The support people in our care receive is powered by a workforce who are committed to achieving the very best for them. To help our recruitment and retention efforts, I am pleased that we were able to announce an uplift for our frontline care and support teams to above the National Living Wage again. However, as a charity, we have a responsibility to all the people we support and their families to make sure our finances are healthy, to enable us to deliver against our vision to support adults with a learning disability to live their best life possible. Going forward, it will be critical to ensure that we are prioritising our limited available funding to where it makes the biggest difference for the people we support.

As at the end of March 2023, our CQC quality ratings stood at 86% good or outstanding ratings. In spite of the workforce challenges, it is a testament to our colleagues' resilience and determination to deliver the highest quality care that the position remains 7% above the national average and I would like to thank everyone in having given it their all throughout this year to making sure that people in our care continue to be supported to live their best life possible. Inevitably, workforce pressures are inextricably linked to the quality of support we are able to provide, and whilst I am pleased that we remain above the national average, we should expect nothing less than returning all our services to good or above CQC ratings, and this will be a core priority over the coming years.

I am confident that these issues can be addressed, and much of the work to do so is already progressing. Hft is starting to tackle our reliance on agency usage and making bold strides to make sure that we are appropriately funded, to make sure that the people we support can be supported to thrive rather than just survive. I am very aware that the wider social care sector is stepping into increasingly uncertain times where sufficient funding and an appropriately recognised workforce are becoming out of reach. We will continue to champion the voice of our sector and the people we support at the highest levels, to advocate for change.

The ability to address these four major issues; agency usage, permanent recruitment, driving up quality and driving down central overhead costs will take up significant organisational capacity over the next 12 months. We are committed to paying as well as we can and to being a thoughtful and collaborative employer who understands the challenges that our colleagues face in delivering good care, and who supports them to prioritise support for individuals in their care.

I am privileged to be able to lead this organisation at such a crucial time. The challenges are large, but surmountable and this is also a time for opportunity and renewed hope for Hft being a leading light in learning disability support. We will be launching our new 10 year strategy, “Hft 2033, Your Life, Your Way” which will help guide us on an ambitious path in the future, once we have addressed the structural issues in 2023 and 2024.

I see that improvement in our people priorities; agency and permanent recruitment will be a priority for the early part of 2024, whilst driving up quality and becoming an efficient organisation will take up most of the 2024 year to do well. Our focus will be on maximising the experience of people who drawn upon care and support from us, as well as evaluating where we might be better served from working with others who are experts in their field and can do it better or at better value than we can.

With over 2,000 people supported across our services, the people we support, their families and our colleagues rely on Hft remaining a vibrant, thriving organisation. Having relatively recently celebrated our 60th anniversary, it is our collective focus to make sure that everything is in place to be a sector leader for the next 60 years.

I can see that the vision and values of the founding families continue to drive the passion and pioneering spirit across Hft, and provide a strong basis on which we can look ahead to the future. I look forward to leading the organisation through this period and future years to be an outstanding provider and campaigning organisation for people having the highest standards of care.

A handwritten signature in black ink, appearing to read 'Steve Veevers', with a long horizontal line extending to the right.

Steve Veevers,

Chief Executive Officer for Hft

Quality and Improvement

Over the year we have strived to maintain 'Good' CQC rating as a minimum across all our services. In practice, this means that we have endeavoured to balance the workforce challenges and be responsive and innovative while delivering requirements of the CQC's key lines of enquiry so that our services are safe, effective, caring, responsive, and well led.

The functions within the quality and governance portfolio have built on partnering with our care and support teams as a critical friend to support teams they balance the demands of a transformation project to embed digital recording systems. The focus is firmly on improving people experiences ensuring the health, safety and well-being of the people we support.

Our Quality Improvement team, made up of a CQC compliance Manager, a Complaints Coordinator, and Quality Leads (internal audit), have been working closely with our care and support teams to provide high-quality services, which have been performing at 86% rated CQC Good or above by the end of year March 2023.

Summary of achievements - 2022/2023

The Quality and Improvement team launched phase one of the Quality Assurance Framework (QAF) in April 2022. The framework is built to provide support, guidance and assurance that services are compliant with the CQC's requirements as well as internal requirements, with the aim of supporting continuous learning and improvement cycles. Following the implementation of the QAF, we successfully embedded the new approach of combining remote auditing and monitoring with in-person service visits as we moved out of the pandemic, taking a risk-based approach to maintain scheduled auditing in a challenging time in the sector.

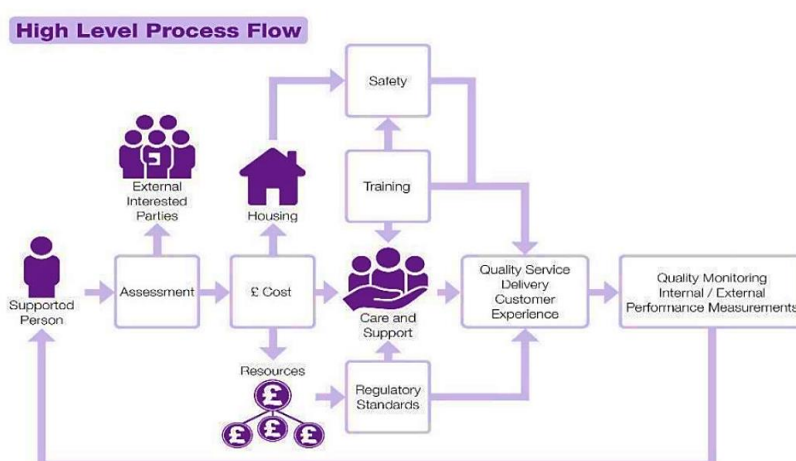
This framework effectively worked to enable proactive quality improvement planning and provide a platform in which to grow, develop and partner with services to make meaningful, measurable and sustainable improvement to deliver positive experiences for people using our services.

Hft undertook a digital transformation project, "Helix," moving from paper-based systems to electronic systems for support planning for the people we support and rostering to manage our staff, as well as introducing mobile handheld sets for digital record keeping. It is envisaged that this will enhance our ability to streamline and standardise the way in which we capture and use data to support people in our services, which is readily accessible to both quality and

care and support teams. The Quality and Improvement team have worked with services to navigate this transition from paper-based recording for supported people's care and support, and we continue this journey as we continuously learn and embed new and improved ways of working.

Over the next year, the Quality and Improvement team aims to procure the new electronic integrated quality and risk management systems, which will include incidents, risk management, complaints, audit, regulatory compliance (CQC), legal and policy. This will support the delivery of the next phase of the QAF and all the remaining elements.

We continue to use continuous feedback cycle, focusing on the experience of the person we support as the driver to improve practice and quality. The process is illustrated below:



Towards the end of 2022, we started to prepare for the CQC to move to a new regulatory approach called the single assessment framework. This framework is intended to support the aim of the CQC to work in a more dynamic and data led way to ensure that the experiences of people are at the forefront of regulation and at the heart of the assessment framework. An extensive programme of training was undertaken by our Registered Managers on the new framework, giving them an insight into what will be expected in terms of service compliance moving forwards.

As part of a new Quality and Assurance Framework (QAF), we developed an internal "Requires Improvement" framework, which provides more focused and intensive and risk-based support for services rated either internally – or externally – as Requires Improvement. This has grown from strength to strength in 2022-2023, as we have partnered with services to support improvements where they have fallen – or may fall below regulatory standards. We

supported over 103 quality improvement progress meetings in the reporting period, furthering the cultural move towards delivering the continuous improvement cycle.

Rigorous, weekly progress monitoring for our two CQC 'Inadequate' rated services continues, and we continue to seek assurances of continued improvements.

Our approach to 3 and 6 monthly monitoring and progress reporting sees the QAF ensure support to services on a scheduled basis to the RI/Inadequate framework providing progress and improvement assurance, and governance to ensure escalation of any continued non-compliance.

Over the coming year, we plan to develop this model further to include improvement support for services with a 'Good' rating.

April 2022 - March 2023 audits:

- 47 Compliance audits
- 5 Quality Improvement planning audits
- 21 Nutrition & Hydration audits
- 67 – Quality improvement 3-month progress reports
- 57 – Quality improvement 6-month progress reports
- 22 - Response Improvement Works

Our efforts to improve how we handle complaints has delivered a better customer service experience for people we support and their families, transforming the way in which we are able to be responsive to co-ordinate complaints, create better communication pathways and positive outcomes across portfolios. We continue to develop accessible information 'Supporting me to Complain' documents and easy read complaints procedures and letters. This process will be subject to an internal audit in the next reporting period, where we hope to be able to evidence significant improvement in this area.

Learning from experience

We continue to develop outcomes focused approaches and grow 'Learning from experience' opportunities to better listen and learn from people's experiences.

The focus on Learning from Complaints – Will's story:

A Resource Centre ceiling hoist had stopped working from time-to-time over the last year.

When this happened, the day service team had a mobile hoist on hand to use as a back-up, but for Will, who was too tall to be safely hoisted using the mobile hoist, the temporary measure wasn't an option.

This disruption had a significant knock-on effect on his wellbeing, and there was a change in his behaviour, which also affected his home life and family.

Despite our commercial housing team alerting the supplier of a need for repair we were advised that there would be a delay in getting the hoist fixed, as many of the specialised parts needed to be sourced from overseas.

In the meantime, our service's team were working closely with Will's social worker and family to find an arrangement that would enable Will to continue accessing the service. As a result – having concluded that an outreach service as an interim wasn't workable – Will's support hours ended up being temporarily reduced, as he could only feasibly come into the day service for the afternoons, instead of full days.

After some time had passed, and considering the impact the situation was having on Will, the day service team worked with Will and his family who raised a complaint.

Ultimately, our Commercial Housing Services team decided the best course of action to support Will back as soon as possible to the day service was for a completely new ceiling hoist and handset to be fitted at the Centre.

Will is "very, very happy to be able to return", say the service, as are his family, who are happy to see Will's frustrations about the situation supported and a new hoist bring him reassurance.

Will says: "I am happy with the new hoist, I'm happy to come here more to see my friends."

There have been some very valuable lessons learned through this experience, which can be drawn on as part of our continuous improvement feedback cycle.

These include:

- **Keeping an open and honest dialogue** between families, Care and Support colleagues, and Housing.
- From a Housing Team perspective, **pushing for strong partnership working with suppliers**. This could be reinforced by setting up service level agreements (SLAs) with contractors and suppliers which stipulate clear timeframes for resolving supply issues.
- **Develop an asset data record** (i.e. for hoists, boilers, parts etc.) to support more automation in processing and responding to repairs.
- **Always doing what we can to ensure the service we provide is excellent**, being proactive to complaints, and willing to learn and improve.

Safeguarding

The role of the National Safeguarding Lead is to work collaboratively with key internal and external stakeholders and ensure that there are systems and processes in place to protect the people we support, in particular those that may be experiencing or at risk of abuse or neglect and because of the abuse or neglect are unable to protect themselves from abuse or neglect. The Safeguarding Lead works with the services to ensure that we are supporting and promoting our supported peoples' wellbeing, and to work together effectively, ensuring that safeguarding systems within Hft are always improving through learning.

We ensure that we have mechanisms in place to enable us to meet our statutory requirements in relation to Safeguarding, Mental Capacity and Deprivation of Liberty Safeguards.

The National Safeguarding Lead is a member of the Safeguarding Adults National Network and shares any national updates or best practice guidance back into the services.

What did we achieve

Colleagues in 2021/2022 were sometimes reporting safeguarding incidents which did not meet the threshold of an adult at risk of abuse or neglect. Although this has seen a reduction in the number safeguarding incidents reported over the financial year, we are more confident that the quality of incident reporting has improved and that making safeguarding personal is captured.

We have:

- Delivered Safeguarding training for trustees and registered managers.

- Reviewed and updated Hft Safeguarding Policy and developed a safeguarding threshold document
- Developed and trailed Mental Capacity and Best Interest forms for Care and Support Electronic record system.
- Developed a safeguarding strategy and 5 years objectives.
- Implemented new Safeguarding reporting

Health and Safety

What did we achieve?

Reporting levels for incidents are running at similar levels in 2022/2023 as for 2021/2022 and continue to demonstrate good levels of incident and near-miss reporting across the business.

Improvements in our systems automatic notifications for incidents in 2022/2023 have led to focused monitoring of incidents and outcomes allowing us to better understand and reduce the risks to Hft colleagues and the people we support.

We implemented new strategies for infection prevention and control and provided simple to use flowcharts for Hft colleagues to follow to ensure everyone had the right tools and resources to manage any outbreaks or surges in infection.

We achieved full re-certification of ISO 45001 for our safety management system and safety performance. Certification to ISO standards proves that Hft works to international or national best practice, demonstrating credibility and competence to stakeholders and customers.

We also retained our CHAS accreditation demonstrating good adherence to health and safety requirements for businesses.

Despite the health and safety team losing two team members we have worked hard to significantly improve our internal safety management performance. This includes policy development, new training solutions, alert systems, and strengthened our winter preparedness and resilience protocols to ensure everyone is safe.

There has been a full management review of all of our fire safety management systems, including policy development, training solutions and support materials to ensure robust measures are in place to prevent a fire emergency.

Key Learning from experience

We strive for continual improvement in health, safety and risk management and part of that is learning from what we did well and what we can do to improve outcomes in the future. Our process for accident and incident management looks to determine the immediate, underlying and root cause of events so that we can prevent them occurring again in the future and ensure a continual cycle of planning, checking and acting to ensure we meet our legal and moral obligations and duty of care to the people we support.

Providing good quality accommodation

Our full stock condition survey which was completed in 2022/2023 continues to advise us as to the investment requirements for our properties, that will ensure they are safe and warm for the persons we support.

During the past year we have worked towards achieving a high level of property compliance to ensure that our properties provide a safe environment. The risks associated with health and safety are reviewed regularly and a robust system of continual monitoring is in place to ensure a high standard of compliance is maintained.

We continue to invest in upgrading our housing stock, including the installation of:

- 13 new kitchens
- 44 new bathrooms.

We also spent:

- £537k on fire safety improvements.

Our programme to upgrade and improve our properties is ongoing, and whilst there is still work to be done the standard of our accommodation continues to improve.

Governance and risk management

We continue to ensure that our governance and leadership affects Hft in a positive way. Effective governance systems are essential to ensure that risks are managed, and changes are implemented in a way that acknowledges workloads and competing priorities. We do this by following the principles of The Charity Governance Code, which allows us to effectively manage and control our operation. Colleagues need to understand the governance processes and be provided with information to ensure they are used and navigated appropriately.

Effective risk management supports the delivery of the Hft Strategy and increases the resilience of the business against adverse events.

Risk management

The Risk Management Policy was last reviewed and approved by the Board of Trustees (the 'Board') in August 2022. The policy was comprehensively updated (and approved by the Board of Trustees) to ensure clarity on the organisation's approach to risk appetite and provided a strengthened statement of control.

A Board Assurance Framework was developed in Q4 2022/2023, with a focus on ensuring that Hft has a clear and robust system for identifying, managing and monitoring risk to the attainment of the organisation's strategy objectives.

The corporate risk register, which captures Hft's key operational risks in line with the requirements of the Risk Management Policy, was further developed. It is reviewed monthly by the Governance team and by the Chiefs as leads for individual risks, and the Corporate Risk Register is reviewed at every meeting of the Audit and Risk Committee. To ensure robust oversight and scrutiny this is shared with the Board and Board meetings for oversight.

Please refer to the internal control statement, which details the process adopted for reviewing our control framework.

Significant changes to our services

Bradford

After 10 years of proudly delivering and improving Day Services in Bradford, the bulk of our Hft day contracts were transferred back to Bradford Council's new trading arm, New Choices, at the end of the financial year 2021/2022, of which the financial impact was recognised predominantly across 2022/2023. This was a planned transfer of services back to Bradford Council at the end of the contract. The majority of colleagues were transferred to New Choices as part of the transition of services and a joint working group across the two organisations ensured a seamless transition with minimal disruption to the people we support, their families and colleagues.

Furlong Close Rowde

During 2021, Hft took the decision to transfer the provision of care at our Rowde service to another provider, the process involved close working with residents, and their friends and families and Hft continued to provide care and support until an alternative provider was in place. The sale of land and buildings was concluded in July 2022.

Milton Heights

The Milton Heights Campus site was closed in collaboration with Oxfordshire County Council and some supported living move on accommodation was purchased locally. The Board subsequently took the decision to sell the campus site on the open market, to a private sector developer. Hft will receive a second tranche of consideration once the developer obtains planning permission for the site which is now expected in 2024.

Ironbridge

In September 2023 Hft agreed a partnership with homebuilding company, Lioncourt Homes, to transform our Ironbridge site into 12 fully accessible, future-proofed homes, as part of an inclusive community of 80 properties.

Currently, we provide support for learning disabled adults, in a campus-style setting on the site where homes were clustered together, removed from the local community. In contrast, this new redevelopment will see 12 of these new homes becoming accessible and adaptable supported living dwellings for people we support, enabling greater independence in their

everyday lives, and helping them to build meaningful connections and relationships with other residents in the wider community.

We've also worked with the local authority, and the Care Quality Commission (CQC) to ensure the redevelopment aligns with their future commissioning strategies, and reflects Homes England's strategic objectives for creating inclusive, future-proofed places.

Hft's People Involvement and Partnership Forum

Both our Involvement and Partnership Forum functions at Hft seek to gather views, whilst acting as consultative bodies, on all of our organisational plans and changes. Both these engagement initiatives allow senior leaders to have access to two other stakeholders in our organisation, the learning-disabled adults who use Hft and our colleagues who support them.

Over 2022/2023 we have continued to run our Voices To Be Heard events and Partnership Forum meetings in person and on-line. Our Involvement Lead has run and supported the running of 5 in person and online events in Exeter, Edenbridge and Oldham with the aim of connecting with our people across a wide geographical spread. Alongside this consultative work our Involvement Lead has been supporting some of the service transition work going on across our organisation including work in service areas such as Ironbridge, Cornwall and Worcestershire.

Our Partnership Forum function has been just as busy in the same period, however more involved as a consultative body through some key organisational decisions and changes. Over the 2022/2023 year our representatives have been involved with four largescale colleagues restructuring programmes, working with members of our executive and senior leadership team. We have recruited over 20 additional temporary representatives in this period to support consultation with existing representatives. In the same period our reps have supported the publication of 9 new organisational policies and 10 other key organisation projects such as our Brand, Strategy and Vision which you can read more about below.

Brand DNA Workshops and Helix Device Trials – Representatives

As Hft began working through its strategy, brand and vision for the next part of its life it began to consult on what this could look like with colleagues including some of our workplace representatives. Colleagues were invited down to our Emersons Green office, in Bristol, to work alongside our Chief Charity and External Affairs officer and a team of external experts to go through what we wanted Hft to be and to speak about.

Our representatives were also involved in the pilot of our new Helix mobile devices, ensuring colleague representatives could offer feedback, insights and ask questions of our senior leadership team before the wider rollout to our Care and Support workforce. This work took place over a number of months and included a series of online sessions supporting technical uses and questions of what it means for the modern worker.

Below are pictures of both projects and representative involvement in action.



Our Sector Expertise

Public Affairs and Policy

Hft's Public Affairs and Policy function seeks to affect positive change for adults with a learning disability and the disability social care sector. We do this through developing relationships with decision makers in Whitehall and Westminster and seeking to influence political decisions.

Voices for Our Future: calls for change from people with a learning disability

The direction of our public affairs and policy work is informed by the opinions and experiences of adults with a learning disability, as set out in Voices for Our Future. This highlights key issues where learning disabled adults want to see change, so they can live their best life possible. Over the next five years, we will be focusing on creating positive change in these areas:

- Social care: We want a future where everyone with a learning disability gets the right support at the right time
- Employment: We want a world where learning disabled people have the opportunity to earn a fair wage in a job they enjoy

- Housing: We want a world where everyone with a learning disability can live fully in a community they choose
- Attitudes: We want a world where everyone with a learning disability is treated equally and with kindness

In February we launched Voices for Our Future in Parliament. At the launch event, MPs had the opportunity to speak to learning disabled adults to understand why these issues matter to them, and to hear about the change they want to see. Over 18 MPs attended the event and pledged to take action in support of adults with a learning disability. This included the Minister for Disabled People, Health and Work, Tom Pursglove MP, as well as the then Shadow Minister for Social Care, Liz Kendall MP.

Sector Pulse Check: a snapshot of the financial health of the social care sector

As set out in Voices for Our Future, one of our priorities for change is social care. In line with this, we deliver the annual Sector Pulse Check report which gives a snapshot of the financial health of the adult social care sector and provides vital data to illustrate the nature and scale of ongoing challenges to Government.

For the 7th annual edition, we entered into a new partnership with Care England to deliver the research and report. A record number of care providers responded to last year's survey, delivering the most reliable and comprehensive findings to date and revealing a sector struggling to survive:

- In 2022, 82% of adult social care providers were either in deficit or experienced a decrease in their surplus.
- Due to cost pressures, over one third of providers across the adult social care sector had considered exiting the market in 2022.
- As a result of staff shortages, over half of providers had to turn down admissions, while nearly one fifth had to close services.

The resulting report had a profound impact, reaching key stakeholders across media, the government and parliament:

- **Media** – Over 650 media mentions, including high-profile features in the Guardian, BBC and the Telegraph.

- **Government** – The 2022 findings and recommendations were presented to the Minister for Social Care, Helen Whately MP at the Care England Conference & Exhibition. They have been foundational in Care England and Hft's efforts to influence policy over recent months and featured regularly in conversations with Government and department officials.
- **Parliament** – The 2022 report was the subject of a roundtable discussion held in collaboration with the All-Party Parliamentary Group (APPG) for Adult Social Care in March 2023, featuring Parliamentarians from across the major political parties and representatives from key sector stakeholders. Rt Hon Damian Green MP, Co-Chair of the APPG, described the report as “incredibly useful,” saying it “deserves serious attention from Government.” The report featured in numerous parliamentary debates and was referenced by the then Shadow Minister for Social Care, Liz Kendall MP.

On 21 February, MPs across the political spectrum met with people we support, Hft colleagues and campaigners, to hear about Voices for Our Future – our powerful call to action for Government to effect positive change.

Erin, Elliot, Shaun and Rachael, who have lived experience of a learning disability and/or autism, spoke to our political representatives about social care, housing, work, and attitudes towards learning disabilities.

Erin O'Donnell, Hft's Supported Employment Advocate, says: “I had an amazing time, and I hope that what I have said has given MPs food for thought, and that they will be our voice in Parliament.”

Our charity service projects

Luv 2 Meet U

During 2022/2023, Luv2MeetU supported 472 people to access 1647 social activities for our club members, made up of 780 online events and 867 face to face activities. We provided a range of social activities across Bradford, Calderdale, Cheshire, North East Derbyshire, Kirklees, Leeds, Newcastle, Sheffield, Wakefield, Bristol, Flintshire and Wrexham and Denbighshire.

We also further developed the On-Your-Doorstep model of support, providing support to individuals to access inclusive opportunities outside of day services in their local community, transitioning to a new hub, working closely with Gorge Museums, and increasing the number of referrals into the service. We have since expanded this pilot scheme into a second and third area in Northumberland and Redditch.

Project Search

In 2022/2023 we continued to progress our involvement in the innovative supported employment initiative – Project SEARCH, as the supported employment provider. In July 2023 we saw 84 individuals graduate from across our 14 supported internship programmes:

- Bradford Teaching Hospitals
- Mid Yorkshire Hospitals
- Hockney
- Lancashire County Council
- ClwydAlyn Housing Association
- Phs
- Liverpool University Hospitals
- Liverpool City Council
- West Yorkshire ICB
- Harrogate Hospitals
- Lancashire Constabulary
- Alder Hey Children's Hospital
- GXO
- Progress Housing

This year also saw Hft expand our role in the provision of educational support, and we now employ two tutors working across two programmes, ClwydAlyn and GXO. A Level 2 Employability Skills qualification via the National Open College Network (NOCN) has been delivered to interns in these two programmes, with all successfully completing the qualification as part of their supported internship.

Working in partnership with ClwydAlyn and Flintshire County Council, in September 22, Hft launched a pilot programme open to people who are over the age of 25. The first cohort saw 8 adults with learning disabilities and/or autism take part in the programme. This has been a resounding success- one of the interns left the programme early to begin a paid job. The

second year of the programme began in September 23, with a further 7 individuals taking part- we look forward to continuing to develop this opportunity further in both Flintshire and beyond.

In collaboration with college and employment partners, we were involved in piloting a new Supported Internship Quality Assurance Framework (SIQAF) developed for the Department for Education, allowing Supported Internship providers to determine the quality and success of their programmes and monitor performance. The pilot took place at two of our programmes, with some incredible feedback around the provision on offer at both sites. We continue to work closely with our partner organisations and DFN Project SEARCH to ensure we are continuously developing and improving our programmes and support.

Overall, since the first programme in 2013 we have supported 187 individuals to successfully gain paid employment – our employment outcome percentage stands at 70% up to end of the last complete reporting year (2022 graduates). This is against a backdrop of the national average of only 4.8% of adults with learning disabilities having paid employment. We also track people once they have graduated from the programme, and we are showing that 88% of graduates have sustained employment for at least 6 months after graduation.

The 2022/2023 cohort have seen so far 37 of our graduates begin paid employment, with continued support and many additional opportunities in the pipeline, and we expect this number to continue to rise.

Personalised Technology (PT)

In 2022/23 The PT team installed a total of 419 PT solutions across our services.

We also started working with start-up company, Tendertec, on a £1.8m UK Research and Innovation (UKRI) funded project called FitBees, encouraging sustainable physical activity for under-represented groups currently not engaging with the digital fitness market.

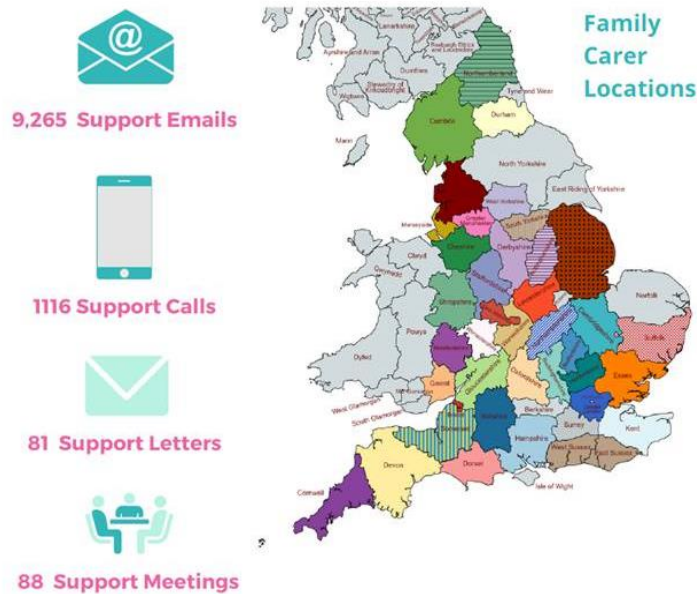
Family Care Support Service

Hft's Family Care Support Service (FCSS) supported 192 family carers in 2022/2023 and signposted a further 65 onto other organisations.

Based on our statistics, whilst the number of families we were able to support has reduced since 2021/2022, we have seen a significant rise in the number of telephone support calls, support emails, letters and meetings, indicating an increasing complexity and need for intervention in the cases the service is handling.

192 Family Carers Supported

65 People Signposted



Hft strategy and transformation

Helix digital transformation programme

Our Helix digital transformation programme moved into the implementation phase during 2022/2023 to support our journey to ensure organisational effectiveness and quality benefits. With input from subject matter experts from across our care and support teams, we launched our new Access Care Planning system, Access Finance systems and Access People systems. These integrated systems have now replaced our legacy systems to join up the flow of information across the organisation.

Our future strategy

Ahead of our 60th anniversary in 2022, the Board of Trustees began to think about a longer strategy horizon for Hft, and subsequently began work on understanding what people with learning disabilities would like the 'best life possible' to mean for them in 2030 and beyond.

Following extensive consultation with a wide range of our key stakeholders (including people we support, their families, commissioners, people with a learning disability outside the organisation and their families including young adults with a learning disability, and supporters) we developed our new strategy priorities to be launched in 2023/2024 at the end of our current strategy period which concludes in 2024.

The new strategy, 'Hft 2033: Your Life, Your Way' will be launched publicly this year in 2024.

Hft's 60th anniversary

Hft turned 60 in 2022 – and to mark this major milestone, we brought an idea straight from people we support to fruition, and recorded our very-own Hft 60 song, 'Best Life'!

On Tuesday 8 November a band of people we support, and colleagues from Oxfordshire, Leeds, Leicestershire and Stroud, met to record the song in collaboration with The Music Man Project.

Funded by a donation from Nigel Doggett, a former Hft trustee, prolific fundraiser, and twin brother of Nick (a supported individual), the song was premiered at our Hftea Parties on 22 November 2022 – topping off a fantastic birthday celebration. We also took the opportunity to share our future priorities, Vision, Mission and Values with all out colleagues.

Our Colleagues

As was the case for other organisations in the Social Care Sector 2022/2023 was an extremely challenging year for our highly valued colleagues as the cost of living crisis, rising fuel and utilities has meant that pay and wellbeing were issues at the forefront of everyone's minds. To help our colleagues, we introduced mental health first aiders; launched a new wellbeing platform and provided individual counselling (where required). We also saw that some of our colleagues were struggling financially and, so we continued to offer a hardship fund using fundraised monies to enable colleagues to apply for financial support.

We have continued to lobby government for better funding for our sector, and to work with Local Authorities to attempt increase funding to enable us to pay more competitively in the market for our frontline care and support roles. As for all providers in the social care the post Covid-19 and Brexit unprecedented recruitment and retention challenge that started in 2021/2022 have continued to cause organisation disruption in 2022/2023 leading to high levels of agency workers being utilised to maintain safe staffing levels.

To attract new colleagues and retain the current workforce we need to promote a positive image of working with adults with learning disabilities within the social care sector as a rewarding and fulfilling career. Due to retention and recruitment difficulties and the complexity

of some services it has become clear that the role of Support Worker is not always the right fit and therefore this year we have had a pilot underway in where the people we support have more complex needs. The pilot has introduced a role called Support Practitioner which attracts a higher rate of pay based on the skills needed to support. The role of Support Practitioner provides a framework that requires minimum of two years' experience in a support or care role within social care, education or a health environment and a professional qualification. The intention will be to roll out further if we can secure funding from local authorities in line a higher rate within the complex care framework.

Nearly every colleague in every role all across the organisation has this year needed to adapt to new ways of working as a result of the start of our integration of our Helix systems transformation plans which continue to be implemented across different teams as part of our strategic transformation.

In April 2022 Hft was awarded Gold Accreditation from the Investors in People (IIP) which is a remarkable achievement especially given the challenges we faced and shows our commitment to investing in and developing our people to achieve great things. The assessment process enabled Hft to externally benchmark our people strategy, practices and outcomes and was a great compliment to the We're Listening engagement survey findings.

In June 2022 Hft featured in the Top 100 apprenticeship employers. With around 28% of our workforce currently working towards qualifications on the apprenticeship framework we continue to be a leading UK apprentice employer. We were ranked 12th with our nearest competitor organisation coming in 41st place. Apprenticeships give our colleagues fantastic work-related learning, while earning a wage and help us ensure our workforce are skilled and knowledgeable and able to deliver compassionate support.

Martin's story

Martin joined Hft as a Project Support Worker in 2020, with no previous experience in the care and support sector, to manage an allotment plot, gifted to the charity. Fast-forward to December 2022 and this keen amateur gardener found himself shortlisted for Support Worker of the Year in Leeds' Quality in Care Awards!

Despite joining Hft during lockdown, Martin swiftly got stuck into running popular virtual sessions, and by summer 2021 was supporting 12 people to successfully grow their own produce. Martin is a natural at working with learning disabled people, developing sensory activities and creating learning opportunities wherever possible.

Our Volunteers

We have 30 volunteers contributing in many different roles across Hft – Mentors, Admins, Gardeners, Drivers, Group Facilitators, Lunchtime assistants, Receptionists or helping at day services.

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

Future Plans

Hft's future plans are focused on firstly delivering on the turnaround programme to return the organisation to a financially sustainable position. This will involve reducing agency spend, increasing permanent recruitment, improving quality and reducing costs. Secondly the organisation will be focused on delivering on its new strategy. The new strategy, 'Hft 2033: Your Life, Your Way' will be launched publicly this year in 2024

Reference and administrative details

Royal Patron

HRH The Princess Royal

Trustees

Amanda Bunce (Chair)

Paul Morgan

Irfana Malik

Timothy Tamblyn

John Devapriam (Vice Chair from 20.10.23)

Hugh Piper (appointed 26.05.2022)

Lesley Hutchinson (appointed 26.05.2022)

Michael Butler (appointed 09.01.2024)

Desmond Spencer (co-opted 01.02.2024)

Jonathan Laredo (co-opted 01.02.2024)

Annemarie Strong (co-opted 26.01.23)

Briony Horvath (resigned 09.11.22)

Simon Jones (resigned, Vice Chair until 20.10.2023)

Mary Ann Champion (retired 09.11.22)

Hilary Schrader (retired 04.08.2022)

Executive Management

Stephen Veevers (Chief Executive from 01.01.2024)

Kate Jenkins (Interim Director of People from 02.01.2024)

Tracy Hampson (Director of Operations from 12.12.2023)

Simon Hubble (Chief Corporate Services Officer and Deputy Chief Executive from 24.04.2023)

David O'Neill (Chief Commercial Housing Officer from 24.08.2023)

Peter Snelling (Chief Care and Support Officer from 03.01.2023)

Kaajal Chotai (Chief Quality and Governance Officer)

Devia Gurjar (Chief Charity and External Affairs Officer)

Kirsty Matthews (Chief Executive until 31.12.2023)

Francis Genovese (Chief Quality and Governance Officer until 01.04.2022, Chief Care and Support Officer from 26.07.2022, Company Secretary until 17.07.2022, Resigned 31.08.22)

Paul Robinson (Interim Commercial, Finance and IT Officer from 05.09.2022 to 24.05.2023)

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

Kevin Moyes (Chief People and Organisational Development Officer until 09.08.2022)

Teresa Parker (Chief Commercial Housing Officer until 28.04.2023)

Principle Bankers

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

External Auditors

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

Internal Auditors

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

Solicitors

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

Investment Managers

Investec, 2 Gresham Street, London, EC2V 7QN

Registered Office

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

Reference Details

Hft Trust Limited often uses the abbreviation "Hft"

The Company is registered charity number 313069.

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

Structure, Governance and Management

Report of the Board of Trustees

The Board submits its Annual Report and the Financial Statements for the year ended 31 March 2023.

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

Constitution and status

HF Trust Limited ("Hft") is a company limited by guarantee (registration number 734984) registered in England and Wales and a registered charity regulated by the Charity Commission (registration number 313069). The company's governing document is the Memorandum and Articles of Association dated 19 October 2019. Hft is a membership organisation and the liability of each member is £10. Trustees of Hft are either elected by the members or nominated and appointed by the Board of Trustees. Trustees are the Directors of the Company; and are also members.

Organisational structure and governance

Board

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

There are two categories of Trustee:

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

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

In addition, a member can be co-opted by Board to fill a Trustee vacancy during the year. Co-opted Trustees, if they wish to continue, have to either seek election at the first Annual General Meeting after their appointment or shall be eligible for appointment as a Nominated Trustee by the Board following such Annual General Meeting.

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

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

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

Board Committees

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

Each Committee has its own terms of reference, and their reports are standing agenda items for the main Board meetings. Each Committee is chaired by a Trustee and is attended by

appropriate senior members of staff. The committee structure underwent a further review and update in 2022 (having undergone a review in 2021) and as a result further changes were made to ensure the work of the committees more effectively supports that of the Board. Committees as at 31st March 2023 are as follows:

Audit & Risk Committee 'A&R'	At least 4 times a year	<ul style="list-style-type: none"> To support the Trustees and subsidiary Board Members discharge their duties in relation to financial controls accountability, risk management, internal controls, and assurance. Ensure all risk management, controls and assurance processes are effectively managed across the whole organisation, including the subsidiaries.
People and Governance Committee (P&G) was replaced by the Remuneration and Nominations Committee 'R&N'	At least 3 times a year	<ul style="list-style-type: none"> To oversee the recruitment of Trustees, the Chair and the Chief Executive Officer and other Board members of subsidiaries where applicable. To approve all Chief Officers' contractual terms and job descriptions including any bonus arrangements and to decide on any changes to the remuneration and eligibility for bonuses. Support the Chief Executive Officer with the recruitment process for the Chief Officers. Members of the Committee and the Chair of the Board will be on the recruitment panel however the final decision on appointment of Chief Officers (excluding the Chief Executive) remains with the Chief Executive Officer. Review workforce remuneration and related policies. Review and monitoring of the organisation's Standing Orders, including the Code of Conduct and making recommendations to the Board where necessary. Oversee the external governance review, usually every three years. Review and recommend amendments to the Memorandum & Articles to the Board and Members.
Finance and Performance Committee (F&P) was replaced by Commercial Performance Committee 'C&P'	At least 4 times a year	<ul style="list-style-type: none"> Oversight of budgeting and financial planning, financial reporting, and the creation and monitoring of internal controls and accountability policies to ensure the organisations financial health. Monitor the performance and risks of commercial activity against the cost benefit targets in the Financial Plan. Monitor the commercial viability of existing contracts and where appropriate recommend changes to the Board for approval.

		<ul style="list-style-type: none"> • Review and where appropriate recommend to the Board approval of new business opportunities • Assess risk appetite as it pertains to expected returns / risk levels and levels of returns on new business and commercial propositions which fall outside of officer delegations and report to the Board on financial viability of the proposals. • Provide the Board with assurances on going concern matters. • Review available financial resources annually, with the report on the principal internal allocation of resources, and to recommend a budget to the Board. • Monitor the Asset Management Strategy including performance of the housing assets.
Quality and Compliance Committee 'Q'	At least 4 times a year	<ul style="list-style-type: none"> • To provide assurance to the Board on all aspects of quality, safeguarding and regulatory standards of care and support. • To ensure that safeguarding issues are considered and addressed at the appropriate level. • To ensure that critical compliance matters are reviewed and managed and make recommendations to the Board on key strategic decisions relating to service provision. • Highlight any areas of risk that the Committee considers unmitigated, or increasing risks to the Audit & Risk Committee / Board. • Review all aspects of Health and Safety, to include reviewing the Health and Safety Policy and recommending its approval to the Board; and monitoring its effectiveness.
Fundraising Committee 'F'	There was only one meeting of this committee in the reporting period as it was reviewed and stood down to allow key strategy, brand and policy discussions to be held with the full board of Trustees.	<ul style="list-style-type: none"> • Ensure that Charity and External Affairs Strategy meets Hft charitable aims. • Oversee the preparation, review and scrutiny of the Fundraising Plan, providing advice and expertise where required. • Monitor financial controls around fundraising including adherence to the legislative and regulatory frameworks such as but not limited to Fundraising Regulators Code of Practice, Charity Commission, Gambling Commission, ICO, HMRC, PCISSC. • Oversee and monitor the development of and progress against the Hft brand strategy. • Oversee and monitor the development of the Hft advocacy mandate.

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

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

Name	Committee membership for the reporting period	Status	Appointed	Current status
Amanda Bunce (Chair)	P&G, C&P, F, Q&C	Nominated	01/02/2018	Active
Briony Horvath (Vice Chair to 31.03.2022)	P&G	Elected	19/10/2018	Resigned 09/11/2022
Mary Ann Champion	Q	Elected	19/09/2019	Retired 09/11/2022
Simon Jones (Vice Chair from 31.03.2022)	A&R, F&P	Elected	20/10/2017	Resigned 20/10/2023
Paul Morgan	F	Elected	19/10/2018	Active
John Devapriam	Q, Q&C	Elected	20/06/2019	Active
Hilary Schrader	P&G	Nominated	19/09/2019	Retired 04/08/2022
Irfana Malik	A&R	Nominated	19/09/2019	Active
Timothy Tamblyn	A&R, F&P	Nominated	27/05/2021	Active
Annemarie Strong	Q	Nominated	26/01/2023	Active
Lesley Hutchinson	Q, Q&C	Elected	22/05/2022 appointed as co-optee and elected 09/11/2022	Active
Hugh Piper	P&G, C&P	Nominated	26/05/2022	Active
Michael Butler	C&P	Nominated	09/01/2024	Active

In May 2021 the Board of Trustees adopted the Charity Governance Code. Following an external review of corporate governance in the previous reporting period, there has been a continued focus and commitment to ensure Hft are either working towards or achieving high standards of governance. In August 2022, our internal auditors, Crowe, recognised through their audit of our corporate governance arrangements, the works undertaken to improve our governance, and provided us with a Significant Assurance rating.

Operational structure

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

Our Executive Board is currently made up of six Chief Officer roles lead by the Chief Executive Officer. The structure underpins a culture where all roles are recognised as contributing in equal measure to the success of Hft.

Related parties and subsidiaries

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

Gender pay report

Hft has submitted its annual gender pay report providing a snapshot of our gender pay data as of 5 April 2022

At that time, our total workforce consisted of 580 men and 1,888 women, meaning we employed just over three times as many women as we do men – a circumstance that is not unusual in the social care sector and has not significantly changed since we started gender pay gap reporting in 2017.

Hourly pay

1. Mean gender pay gap in hourly pay

The **mean** gender pay gap in hourly pay is the average hourly rate of pay, calculated by adding the hourly pay rate for employees then dividing by the number of employees.

Based on the mean (average) hourly rate of pay for male and female employees in the relevant pay period, our mean gender pay gap is **4.9%** (women lower).

According to the Office for National Statistics, the gender pay gap among all UK employees was 14.9% in 2022, down from 15.1% in 2021, but the overall trend continues in a downward trajectory. It is worth noting that there has been an upward trend in the part-time gender pay gap since 2015.

While Hft is not complacent about gender and pay, we note that our **4.9%** gap is approximately a third of the size of the national gap.

2. Median gender pay gap in hourly pay

The **median** gender pay gap in hourly pay is the middle hourly pay rate, when you arrange your pay rates in order from lowest to highest.

Based on the median (middle) hourly rate of pay for male and female employees in the relevant pay period, our median gender pay gap is **0.0%** (equal).

3. Bonuses

Bonuses do not play a significant part in Hft's reward strategy. This approach is not unusual in social care.

Where bonuses have been paid they have been awarded in recognition of the long service of our fantastic and committed colleagues and are used to encourage and reward their loyalty.

a. Mean bonus gender pay gap

Based on the mean (average) bonus pay for male and female employees in the relevant pay period, our mean gender bonus gap is 11.3% (women higher).

b. Median bonus gender pay gap

Based on the median (middle) bonus pay for male and female employees in the relevant pay period, our median gender bonus gap is 0.0% (equal).

c. Proportion of males and females receiving a bonus payment

The proportions of male and female employees who received bonus pay during the relevant pay period are as follows (percentages are rounded to one decimal place):

Male employees: **2.6%**

Female employees: **3.8%**

4. Proportion of males and females in each pay quartile

The following table separates our entire workforce into four 'quartiles' (parts) based on the salaries that are paid to these employees. These quartiles are then further broken down into the number and proportion, expressed as a percentage, of male and female employees in each one:

Quartile	Male	Female
A (upper)	25.83%	74.17%
B (upper middle)	22.18%	77.82%
C (lower middle)	21.07%	78.93%
D (lower)	27.49%	72.51%

Employee Consultation and Engagement

In 2022 we launched our ambitious People Transformation Programme which addresses three key areas:

- Effective Organisation Design – to ensure Hft has the right leadership and team structures in place.
- Outstanding People – to ensure our leaders and colleagues know what is expected of them, they are invested in, developed and given the opportunity to grow.
- Employee Experience Well-being & Engagement – to ensure our colleagues have good wellbeing and are motivated to remain at Hft.

During the year Hft ran an engagement survey Known as “We’re Listening”. This enabled Hft to gain valuable insights into our colleague’s experiences and the data from the survey formed part of our People Transformation Programme. Improvement actions resulting from this included:

- Introducing Mental Health First aiders
- Launching colleague inclusion groups
- Introducing our programme of colleague huddles where our workforce can receive organisation updates on strategy and performance and ask questions directly to the Executive Board and senior leadership team
- Introducing changes to our structures, roles and accountabilities of senior leaders as leadership was prioritised as we needed to get this right, in order to support change across the organisation.

- Introducing a new wellbeing platform and Employee Assistance Programme

Partnership Forum

Hft entered into a Partnership Agreement with all employees in 2013 and in January 2023 we relaunched this to mark its tenth anniversary. This 2023 agreement renews the commitment to promote effective partnership working.

The purpose of the Agreement is to provide a framework for the Management and the Employees to participate in joint planning and decision-making processes, working as partners to jointly drive the organisation forward and solve problems. The parties in the Agreement have given a commitment to work together to promote a positive and effective relationship with the following principles;

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

The implementation of the Partnership Agreement is facilitated through the Partnership Forum. Representatives from all areas of the organisation receive training and support to act on behalf of all employees at a local or national level.

Equality and Diversity Policy

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

There are policies in place to:

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

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

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

Modern Slavery Statement

The Modern Slavery Act 2015 came into force on 29 October 2015 and introduced changes in UK law focused on increasing transparency in recruitment and supply chains. It sets out a duty on larger organisations to publicly report steps they have taken to ensure their operations and supply chains are trafficking and slavery free. As such any organisation, including charities, which supply goods or services and have a minimum annual turnover of £36 million, are required to produce an annual Anti-Slavery and Human Trafficking Statement that is approved at the highest level in the organisation and is made available on the organisation's website. Our statement can be found at:

www.hft.org.uk/ModernSlaveryActStatement

Strategic Report: Objectives, Activities and Public Benefit

Aims and objectives

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

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

Principal activities

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

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

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

- The Family Carer Support Service (FCSS) is available for any carer to access (free of charge), and provides online and telephone help, support and signposting for carers, together with other resources, such as guides to new care legislation and guides to state benefit changes.
- Through Project SEARCH we support training opportunities to support people into internships and employment.
- Our Personalised Technology service provides consultancy, advice and equipment to improve safety, and quality of life.
- Our Luv2MeetU friendship and dating agency for people with a learning disability. Members have opportunities to make new friends, share interests and develop

relationships, helping to combat isolation and loneliness and improve overall health and well-being.

Public benefit

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

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

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

Achievements and Performance

Hft's aspiration is to be a leading provider of adult learning disability services in the UK. We want the best life possible for all of the people we support and to achieve this we recognise that efficiency and productivity continue to be critical, and that investment in colleagues and technology are key to long-term sustainability.

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

Whilst the key drivers remain relevant, the post pandemic economic challenges we have stepped into have presented significant challenge to the social care sector, including Hft, which could not have been foreseen when we set out our plans and commitments in 2020.

The detailed consultation with key stakeholders for the development of our future long-term strategy has highlighted the changing and growing needs of adults with a learning disability, in the face of reduced central and local government funding.

Our statements reflect progress against the published strategy, with notes on changes to our plans where these have been necessary.

Getting the basics right

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

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

Financial sustainability

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

We have seen a significantly worsening position in 2022/2023, with a £16.1m deficit compared to our broadly break-even position in 2021/2022. The key drivers of the adverse performance were:

- £5.8m increased agency cost as recruitment/retention challenges increased the reliance on more expensive agency staff.
- £2.7m Helix implementation costs and £1.5m of ongoing incremental IT cost related to the new systems.
- £3.8m incremental staff costs due to increases to support worker pay not being offset by increased hourly rates paid by customers, an operational management restructure and additional costs in corporate and governance functions.
- £1.1m cost related to a one-off adjustment to the holiday pay accrual reflecting the greater availability of outstanding holiday pay following the implementation of Helix.

- £1m of other items including £0.5m relating to services which have been exited.
- £0.6m increase in property impairments reflecting latest third-party valuations.

The £16.1m deficit has triggered an urgent Turnaround programme across the which commenced in 2023/2024 and going forwards has three main parts to it:

1. Operating turnaround plan focussed on reducing agency, improving quality and corporate overheads.
2. Funding plan – focussed on ensuring the organisation has sufficient funds during the turnaround.
3. Asset disposal plan – focussed on repaying debt incurred during the turnaround.

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

The Turnaround programme includes a dedicated workstream to review underperforming services in the coming year, and determine actions required to ensure financial sustainability.

There was minimal opportunity for growth during the year as Hft focused its efforts on maintaining safe services and responding to the immediate workforce challenges.

Systems development

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

2022/2023 saw a significant investment in our Helix digital transformation programme which begins our journey towards a holistic system, process and culture review to deliver on this objective.

Complex behavioural needs service

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

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

Amy's story

Amy is a 22-year-old lady with Learning Difficulties, Autistic Spectrum Disorder, and Behaviours that challenge. She came to Hft from an assessment and treatment in patient unit where she lived for nearly 2 years. She had good verbal communication skills and was able to express her wishes and needs.

During her transition, we identified that she used behaviours that challenge to gain social attention including:

- Attempting to leave / run away from the building
- Damage to property
- Hitting others
- Verbal aggression including shouting and threats

We arranged a face to face meeting with Amy in an environment she was comfortable in to discuss how she would like to be supported at Hft and built a PBS plan with Amy and her staff team at Hft. We worked alongside Amy and her team to develop a number of positive strategies to support her:

- We developed a structured activity programme based on her preferred activities including going for walks in the countryside and access to a sensory room.
- A graded approach was used where initial risks to the public and staff were minimised by taking Amy to wide open / quiet spaces where she could walk and run. Eventually staff were able to support Amy to use public transport and attend a cinema!
- We taught Amy how to gain attention in more appropriate ways by introducing a yellow and red card system, linking to her love of football.
- Amy worked with her team to agree appropriate verbal responses to her behaviour, such as "Hands Down".

By providing consistent and positive PBS approaches in a phased way the frequency and intensity of Amy's behaviours that challenge have dramatically reduced and her quality of life improved.

Property management

We will be excellent at the development of new homes which complement existing provision and meet identified needs.

We will dispose of miscellaneous older stock or sites where reinvestment is not viable and re-circulate receipts within the charity.

During the year we continue to identify properties that are no longer viable to operate and consider options to either repurpose or dispose of. We have also maintained our approach to energy efficiency, ensuring that our stock databases are updated on a regular basis and to maintain updated life cycle costing programmes for all our properties.

Fundraising

We will maximise income to support activity designed to provide the best life possible for the people we support.

Fundraising Standards

Hft is registered with the Fundraising Regulator and adheres to the 'Code of Fundraising Practice'. The generosity of our supporters helps us to support adults with a learning disability to thrive, and we promise to treat all supporters with respect, fairness, honesty and clarity in all our fundraising activities. Our compliance with the Fundraising Regulator code has oversight from the Board of Trustee Quality and Compliance Committee. We set out how we comply with the Code of Fundraising Practice, in our public facing fundraising promise to all supporters on the Hft website.

Hft fundraising activity also meets the legislative and regulatory requirements of the Gambling Act 2005 and the Gambling Commission regulations. In 2022/2023 we ensured compliance by:

- Holding an up-to-date Society Lottery License - South Gloucestershire Council renewed our annual Society lottery registration from the 1st January 2023.
- Having an up-to-date policy on Gaming and Responsible Gambling in place.
- Monitoring and reporting on breaches and near miss breaches - there were no breaches or near misses to report in relation to the Hft lottery or Society lottery registration in 2022/2023.

Our 'Fundraising and Vulnerable People' Policy and Procedure ensures that giving to Hft is a positive experience for all, and that we can identify and help a vulnerable person to make an informed decision over their support. We monitor and report on fundraising complaints as part of our organisational complaints policy.

TCS London Marathon

- 2023 saw one of our largest teams taking on the iconic TCS London Marathon. We raised just over £27,500 which smashed our £17k target.

Wrag Barn Golf Day

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

Choose a Challenge

- For the first time in Hft's history, three universities, Hull, Bristol and the London School of Economics joined us to take on the Three Peaks Challenge and raised £15k.

National Charity Partnership of The Year

- We won Charity Partnership of the Year with the University of Bristol – we will receive around £15k from this partnership.

It was a successful year for legacy income raising £1.291m.

We would like to express our thanks to the following organisations, trusts and individuals who have supported us in the year to 31 March 2023, as well as those who prefer not to be named:

ABF The Soldiers' Charity
Belron Ronnie Lubner Charitable Foundation
Flintshire County Council
Froxfield Charitable Trust
Gerald Micklem Charitable Trust
Helen Roll Charity
Hospital Saturday Fund
John James Bristol Foundation
Kingston Nursing Association

Kirklees Council
Live Well Wakefield – Nova
Louis Nicholas Residuary Charitable Trust
Pat Ripley's Charitable Trust
Patrick & Helena Frost Foundation
Shackleton Foundation
The Bassil Shippam and Alsford Trust
The Betty Margaret Littler Foundation
The Blair Foundation
The E W Gladstone Charitable Trust
The Grace Trust
The Hadley Trust
The Honeyman Charitable Trust
The Lee Family

Investments

Total invested assets decreased from £7.26m to £6.98m, primarily driven by a decrease in asset valuations of £0.4m. The Investec portfolio closed the year at £6.08m (£6.3m 2022); a gross return of -3.68% on the year.

The Brewin Dolphin portfolio closed the year at £827k; a gross return of -0.03% on the year, compared to a prior year gross return of 7.65%.

In 2023/2024 Hft had to liquidate its investment portfolios in order to fund its operating deficits.

Environmental Policy and Actions

We are currently in the process of developing Hft's first Sustainability Strategy, taking into consideration stakeholder views and priorities, legislative developments and factors such as our energy usage. Many of our asset management priorities are relevant to becoming more sustainable, and in particular we aim to:

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

- Introduce low carbon and renewable heating measures into more of our properties.

During 2022/2023, we established our colleague-led Sustainability Taskforce, provided warm packs to 105 of the people we support who are most vulnerable to the impacts of fuel poverty, and we have conducted research with stakeholders to inform the development of our Sustainability Strategy. We will be reviewing the taskforce based on the outcomes of the strategy.

Waste and Recycling

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

During 2022/2023, Hft recycled 137.1 tonnes of waste (54.5%) from our residential care homes, day services and offices. A further 110.1 tonnes was incinerated with energy recovery (43.7%), 0.9 tonnes organic waste was sent to anaerobic digestion (0.4%) and 3.5 tonnes sent to landfill (1.4%).

This is the first year we have reported on waste; by taking more responsibility for our waste statistics, we plan to make continual improvements through reducing total waste produced and recycling more.

Carbon policy and energy and greenhouse gas report

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

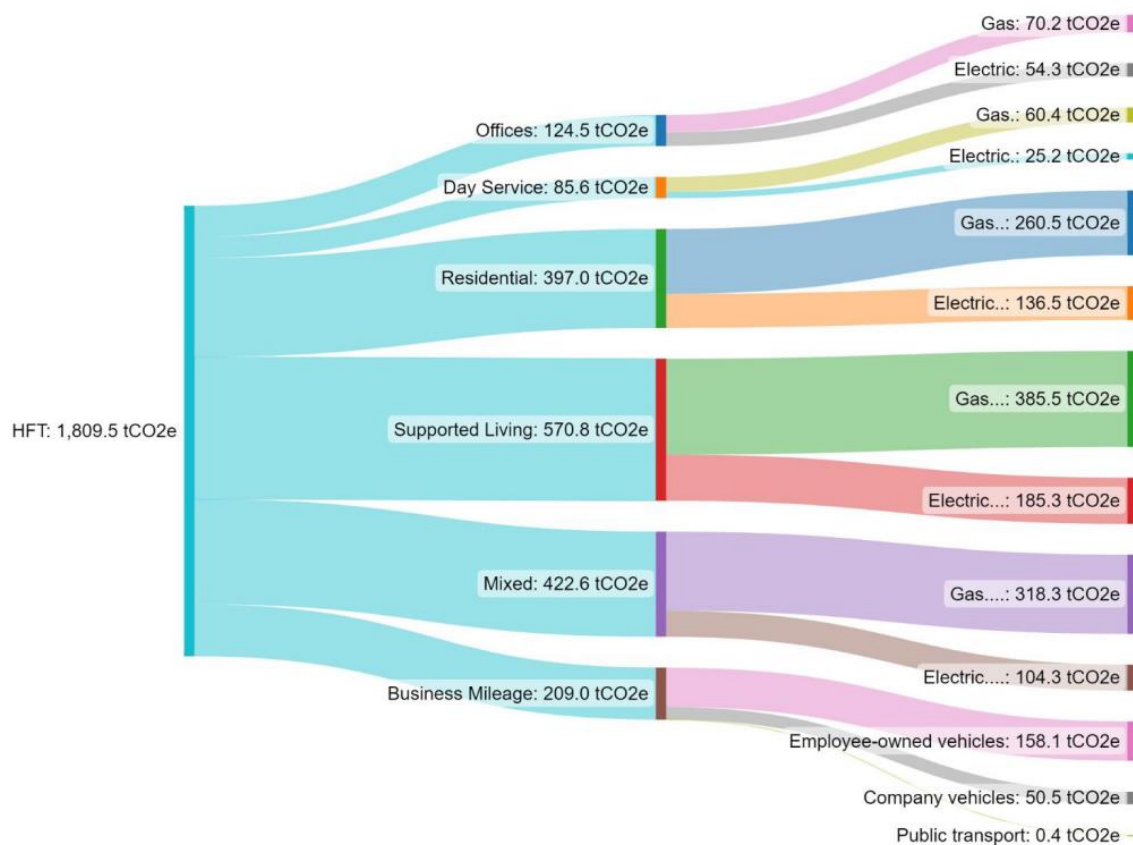
The tables below show the total emissions from Scope 1, 2 and 3 sources as well as a breakdown comparison between the 2021/2022 and 2022/2023 financial year emissions and carbon intensity ratios.

Global GHG emissions and energy use data	1 st April 2022 – 31 st March 2023	1 st April 2021 – 31 st March 2022	% difference
Scope 1	1,145.38 tonnes CO ₂ e	1,316.29 tonnes CO ₂ e	-12.98
Scope 2	463.20 tonnes CO ₂ e	681.55 tonnes CO ₂ e	-32.04
Scope 3	200.87 tonnes CO ₂ e	626.85 tonnes CO ₂ e	-67.96 ¹
Total	1,809.45 tonnes CO₂e	2,624.69 tonnes CO₂e	-31.06

These are the location-based reported emissions.

All areas have shown a reduction in carbon equivalent emissions. It should however be noted that a reporting difference is partly responsible for the Scope 3 emission changes; prior reporting included indirect emissions (Well-to-Tank). These have not been calculated in 2022/2023 due to a lack of data availability.

The diagram below provides more detail into the carbon emissions of different Hft activities during the 2022/2023 financial year within the different scopes.



Internal Controls Statement

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

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

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

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

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

Following an external governance review which included a review of Hft's risk management approach in 2022, the following key improvements have been strengthened over the last year:

- A three line of defence risk and assurance model has been adopted and embedded within the framework.
- The Corporate Level Risk Register has been further developed and is now embedded at both a corporate and operational level.
- Board Assurance Framework has been developed in 2022/2023, designed to set out the strategic risk facing Hft and the associated controls and assurance in place.
- Both the Corporate Risk Register and Board Assurance Framework are routinely reviewed by the Executive prior to review by the Audit & Risk Committee enabling it to monitor both significant operational risk and strategic risks.

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

There have been weaknesses in internal controls that have contributed to the financial loss of £16.1m in 2022/2023 and this has been reported to appropriate stakeholders including The Charity Commission. The Board confirms that there has been no other breakdown in internal control resulting in material losses, other than the contingencies or uncertainties which would require disclosure in the financial statements during the year.

Principal Risks

Principal Risks to Hft	Controls in place to mitigate these risks
Failure to provide safe, high quality care and support for the people we support in line with our obligations regarding Duty of Care.	<ul style="list-style-type: none"> • Policies and operating standards in place. • Registered managers in place who are responsible for the delivery of care and support. • Leadership structure in place with leaders who have accountability for delivering care and support services. • Internal quality assurance framework. • Mandatory training completion. • Incident reporting and complaints systems in place. • Service Development team to support service turnaround.
Failure to generate sufficient income and maintain economic solvency and cashflow leaving Hft unable to achieve its financial commitments or deliver	<ul style="list-style-type: none"> • Finance reporting statements, ownership and accountabilities. • Regular reporting financial KPI's against pre-agreed benchmarks for income and costs. • Financial systems and data management; finance, CRM and Housing Management.

services to people we support.	<ul style="list-style-type: none"> • Business case evaluation and sign off. • Agreed financial models for Care and Support, Housing and Fundraising. • Agency reduction Project.
Failure to recruit, retain and invest in an effective workforce.	<ul style="list-style-type: none"> • Ongoing pay reviews and Flexible working policy. • One stage application process and same day interview and capability meetings. • EAP programme and Hardship fund. • We're Listening Survey, Wellbeing & EDI strategies. • Leadership meetings and Colleague inclusion group.
Failure to imbed appropriate management and governance systems.	<ul style="list-style-type: none"> • Recruitment, induction and training processes. • Management structures supported by policies and procedures. • External support to improve risk and governance frameworks. • Schedule of matters to include review and monitoring of regulation and compliance.

Directors' and Officers' Liability Insurance

Hft and its subsidiary companies have insurance to cover Trustees' and Officers' liability to the value of £10m, as permitted by the Companies Act 2006 at a cost of £13k (2021: £13k).

Consideration of the directors' Responsibilities

Section 172 Statement:

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

The likely consequence of any decision in the long term

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

The interest of the company's employees

Our employees are vital to Hft and we regard on-going, regular engagement with them as a top priority. Employee engagement is important to us at Hft. Our Employee Experience Partner continues to shape, to help lead and deliver our commitment to enhanced employee experience and engagement. We involve the Partnership Forum at early stages in decision making and they meet regularly with the Executive team to share thoughts, plans and opinions. During the year they are consulted and their approval accredited on new policies, strategy, wellbeing, retention, face to face training and employee awards. For more details and examples of employee consultation and engagement, please see page 37.

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

Our relationship with partners, funders, suppliers, local authority commissioners, the people we support and their families are key to our effectiveness. We work with them closely to develop mutually beneficial relationships; an example of this is our supported employment initiative Project Search which you can read about in more detail at page 22.

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

We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. More information on how we care for the environment can be found in our Carbon Policy and Energy and Greenhouse Gas Report at page 48.

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

Our reputation and public trust in Hft are fundamental to our future success. We use our organisational values and behaviours in our requirement for and training of both employees and volunteers to ensure that we maintain high standards. We lay out our expectations within our colleague code of practice and discuss performance during supervisions, continuing conversations and appraisals. Our procurement and ethical policies and procedures ensure that our values also are a key part of our selection of partners and suppliers. We are regulated by the Care Quality Commission and the Charity Commission and our CQC results are publicly available.

The need to act fairly as between members of the company

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

Financial Review

Income

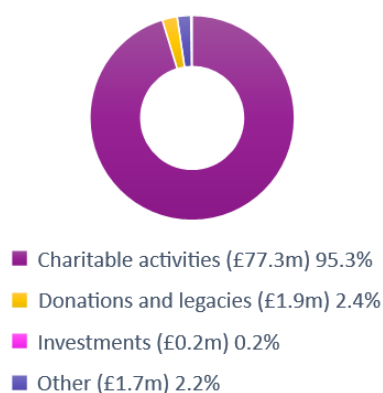
Income from charitable activities includes service fee income, special projects and community interest company income. In addition to this are trading activities, fundraising, and investment income.

Total income from organisational activities decreased to £81.2m (2022: £89.7m), with decreases across all income categories; £6m fees, £0.4m donations and legacies and £2.3m other income.

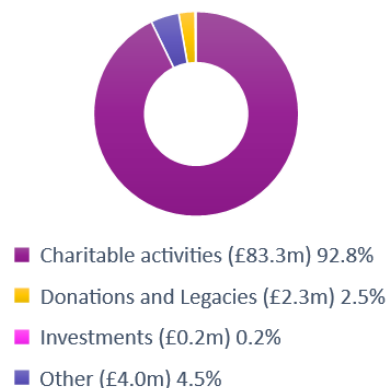
Fee income from the provision of care services to Local Authorities in the UK in the year of £77.3m represents a decrease of 7.1% on 2022: £83.3m. The decrease is predominantly driven by Hft terminating its services at two locations. Fee income delivered 95.3% of total income compared to 92.8% in 2022.

The asset disposals during the year included the sale of six properties and generated a gain on disposal of £1.5m (2022: £0.5m).

2023 Income Total £81.2m



2022 Income Total £89.8m



Expenditure

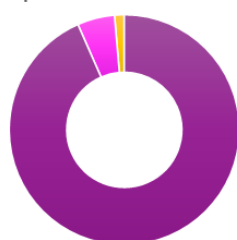
Total expenditure in the year to 31 March 2023 was £96.9m; an £8m increase on 2022 (2022: £88.9m).

Care and Support services costs increased in the year for which the key drivers were the increase in the agency hours required increasing the agency cost burden, increased staff costs due to pay inflation including the National Living Wage increase from £8.91 per hour to £9.50 per hour and increased operational management staffing costs.

Exceptional costs (as included within other activities below) increased by £0.7m to £3.6m in 2022/2023 consisting of £2.7m of implementation costs relating to the Helix transformation project and £0.9m relating to the impairment of tangible fixed assets.

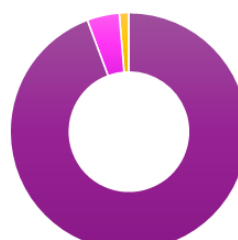
The Helix project refers to a program to implement new systems within Hft through the upgrade of systems, better management of data and improvement to processes. The project, launched in 2021/2022 and completed in 2023/2024.

2023 Expenditure Total £96.9m



■ Charitable activities (£90.5m) 93.4%
■ Fundraising (£1.3m) 1.4%
■ Other Activities (£5.1m) 5.2%

2022 Expenditure Total £88.9m



■ Charitable activities (£83.3m) 94.3%
■ Fundraising (£1.2m) 1.3%
■ Other Activities (£3.9m) 4.4%

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

	2023 £'000	2022 £'000
Services income (note 3b)	76,805	82,752
Services direct costs (note 8)	(78,456)	(71,642)
Services (deficit)/ surplus before support costs	(1,651)	11,110
Support costs (note 8)	(10,043)	(9,117)
Services (deficit) /surplus after support costs	(11,694)	1,993

As the above table shows the performance of the core operational services (excluding exceptional items) worsened by £13.7m compared with the prior year. Revenue reduced by £5.9m however direct costs increased by £6.9m and support costs increased by £0.9m

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

	2023	2022
Fee Income per day (£k)	212	227
Total Employment Costs (TEC) as % income	67	69
Agency costs as % Total Employment Costs	19	12
Fundraising income v expenditure	3:2	2:1

Fee income from local authorities decreased slightly but remained largely flat year on year. Agency costs as a percentage of total employment costs increased reflecting increasing usage across the organisation of which a key driver was staff vacancies driven by challenging recruitment and retention. Fundraising had a successful year with income versus expenditure remaining at a similar level to the prior year.

Trading activity

The principal component of trading activities is the sale of seasonal cards and gifts which remains inactive within the year. The company is dormant with no trading activity within the year (2022: £6k deficit).

Charity projects

The net cost on special projects in the year to 31 March 2023 of £1.5m is a £1.5m decrease on the 2021/2022 net cost of £3m.

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

Previously, costs incurred on the implementation of the helix project were included within special projects (2022: £1.1m). Since its launch, ongoing operational costs associated with

Helix project are now been included within service costs as the ongoing associated costs relate to supporting the core operational activities of Hft.

Balance Sheet

Reserves have decreased by £16.1m as a result of the year's activities; the main changes in the balance sheet during the year are as follows:

- Cash decreased by £4.9m due to the operating deficit incurred.
- Tangible fixed assets decreased by £3.6m to £53m which includes;
 - Disposals of tangible fixed assets with a Net Book Value of £3.6m
 - Additions of £0.9m
 - Impairment charge of £0.9m relating to six properties.

Current Assets

- Debtors decreased by £3.5m. Fee debtors have decreased due to the timing of invoices raised and cash received and should be viewed in conjunction with the invoice accrual. The net decrease is £3.4m due to cash receipt.
- Creditors increased by £3.3m in the year driven by an increase in accruals of £3.1m. Trade creditors have decreased by £0.6m.

Reserves

At 31 March 2023 the total funds of the charity were £57.9m of which £17.5m were restricted leaving a total of unrestricted funds of £40.4m.

The general reserve policy states that there should be sufficient reserves to cover 3 months payroll which amounts to £13.4m. Due to the operational challenges faced by Hft in the year ended 31 March 2023 this policy has not been met and at 31 March 2023 the general reserves are in a deficit position of £1.4m. However, at 31 March 2023 Hft has, within its general reserve realisable investments of £7m, within the designated funds balance there is £6m of realisable property and in addition Hft has an overdraft facility with Lloyds of £3m which when added to the reserves provides Hft with 3 months cover of payroll costs

As explained in the note to the financial statements the Trustees have designated £41.8m of funds for fixed assets and capital projects, the reduction of £3.2m reflects the disposal of land and buildings during the period and all depreciation and impairment charges. The undesignated funds balance decreased in the year to a deficit balance of £1.4m reflecting the operational deficit. The turnaround program discussed in the Trustee's Report will return the

undesignated funds balance to a surplus. The designated funds are made up of property assets originally held for the long term to provide care to the people we support but the requirement to hold these properties is under review as part of the turnaround project and where appropriate, certain properties will be considered for potential sale.

Investment powers, policy and objectives

Investment powers are governed by the Articles of Association, which permit the funds to be invested in the manner shown in note 12 to the financial statements. The Trustees intend that the real value of Hft's investments be maintained and enhanced over the long term by investment in a portfolio comprising common investment funds, unit trusts and equities (quoted on a recognised international stock exchange). Hft employs professional investment managers to advise on and invest the portfolio in accordance with the investment policy and mandate which is given to them.

Going Concern

The Trustees have reviewed the group's and the charity's forecasts and projections covering a period from the date of signing of the financial statements up to June 2025.

In this period, the Trustees have agreed to a turnaround programme which is intended to return the organisation to a financially sustainable operating surplus. This programme has seen the organisation take out additional sources of funding to provide it with sufficient liquidity to deliver the turnaround programme. These sources of funding include bridging loans and extension of the existing bank overdraft facility. The turnaround element of the plan will focus on reducing agency spend and corporate overheads and improving the financial performance of services with the aim of returning the operating performance of Hft to a sustainable small surplus. The third part of the overall programme will be the disposal of certain properties in order to repay the debt incurred on the turnaround and provide sufficient ongoing liquidity to the organisations balance sheet.

The Board of Trustees are committed to this plan and given the measures being put in place to manage future cash needs and estimated levels of income and expenditure, the Trustees are satisfied that the group has adequate levels of reserves to continue in operation for the foreseeable future.

Accordingly, the going concern basis has been used in preparing these financial statements. The Trustees consider there to be a material uncertainty in relation to the ability to deliver the turnaround plan and property disposals in line with the timetable required. The turnaround plan requires delivery of multiple streams of activity at the same time against a backdrop of competing demands and external pressures which may affect our capacity to deliver the plan. The timing and value of property disposals are not entirely within the control of the organisation but also subject to market factors.

Statement of Trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

The Report of the Board and Incorporated Strategic Report were approved by the Board of Trustees on 1 February 2024 and signed on behalf of the Board of Trustees by:

A handwritten signature in blue ink, appearing to read 'A. Bunce', is shown within a light blue rectangular box.

Amanda Bunce
Chair

Date 19th March 2024

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

Opinion

We have audited the financial statements of HF Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the group and parent charitable company consider there to be a material uncertainty in respect of achievement of the turnaround plan and property disposals, and therefore ability to operate within financing facilities. As stated in note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 60, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102),

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

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

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

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

Use of our report

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

RSM UK Audit LLP

NICHOLAS SLADDEN (Senior Statutory Auditor)

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

Chartered Accountants

25 Farringdon Street,

London,

EC4A 4AB

Date 19 March 2024

Consolidated Statement of Financial Activities

for the year ended 31 March 2023

(including Consolidated Income and Expenditure Account)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2023 £'000	Total 2022 £'000
Income and endowments from:					
Donations and legacies	3	1,163	761	1,924	2,281
Charitable activities	3	76,903	444	77,347	83,257
Investments		168	-	168	175
Other	7	1,748	-	1,748	4,022
Total		<u>79,982</u>	<u>1,205</u>	<u>81,187</u>	<u>89,735</u>
Expenditure on:					
Raising funds	8	1,318	-	1,318	1,165
Charitable activities	8	89,375	1,130	90,505	83,816
Other	8	5,085	-	5,085	3,898
Total	8	<u>95,778</u>	<u>1,130</u>	<u>96,908</u>	<u>88,879</u>
Net (losses)/ gains on investments	12	(399)	-	(399)	245
Net income/(expenditure)	9	<u>(16,195)</u>	<u>75</u>	<u>(16,120)</u>	<u>1,101</u>
Other recognised (losses):					
Re-measurement of defined benefit pension scheme	24	-	-	-	(405)
Net movement in funds		<u>(16,195)</u>	<u>75</u>	<u>(16,120)</u>	<u>696</u>
Total funds brought forward	20	<u>56,625</u>	<u>17,393</u>	<u>74,018</u>	<u>73,322</u>
Total funds carried forward	20	<u>40,430</u>	<u>17,468</u>	<u>57,898</u>	<u>74,018</u>

Balance Sheet

As at 31 March 2023

	Notes	Group		Company	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets					
Intangible assets	11 (a)	876	1,288	876	1,288
Tangible assets	11 (b)	52,959	56,593	52,959	56,593
Investments	12	6,979	7,265	6,979	7,265
Total fixed assets		60,814	65,146	60,814	65,146
Current assets					
Stocks	13	5	5	-	-
Debtors: amounts falling due within one year	14	6,000	9,509	6,025	9,477
Cash at bank and in hand	15	1,930	6,817	1,842	6,779
Total current assets		7,935	16,331	7,867	16,256
Current liabilities					
Creditors: Amounts falling due within one year	16	10,494	7,198	10,443	7,173
Net current assets		(2,559)	9,133	(2,576)	9,083
Total assets less current liabilities		58,255	74,279	58,238	74,229
Creditors					
Amounts falling due after more than one year	16	250	250	250	250
Provisions for liabilities	17	107	11	107	11
Pension liability	24	-	-	-	-
Net assets		57,898	74,018	57,881	73,968
The funds of the group/company					
Restricted funds	20/23	17,468	17,393	17,468	17,393
General reserve	20	(1,330)	11,664	(1,347)	11,614
Designated funds	20/22	41,760	44,961	41,760	44,961
Unrestricted funds excluding pension liability	20	40,430	56,625	40,413	56,575
Unrestricted funds		40,430	56,625	40,413	56,575
Total funds	21/22	57,898	74,018	57,881	73,968

As permitted by s408 Companies Act 2006, the Charity has not presented its own Income and Expenditure and related notes. The Charity's deficit for the year was £16,087k (2022 - surplus £692k).

The financial statements on pages 66 to 95 were approved and authorised for issue by the Hft Limited Board of Trustees on 1 February 2024 and signed on its behalf by:

A handwritten signature in blue ink, appearing to read 'A. Bunce', is shown within a light blue rectangular box.

Amanda Bunce

Chair

Date 19th March 2024

Cashflow Statement

for the year ended 31 March 2023

	Notes	2023 £'000	Group 2022 £'000	Company 2023 £'000	2022 £'000
Cash flows from operating activities:					
Net cash provided by operating activities		(8,020)	(1,932)	(8,070)	(1,926)
Cash flows from investing activities:					
Proceeds from sale of property, plant and equipment		4,139	1,838	4,139	1,838
Purchase of property, plant and equipment		(874)	(1,325)	(874)	(1,325)
Purchase of intangible assets		-	(905)	-	(905)
Proceeds from sale of investments		16	-	16	-
Net cash used in investing activities		3,281	(392)	3,281	(392)
Cash flows from financing activities:					
Repayments of borrowing		(148)	-	(148)	-
Net cash used in financing activities		(148)	-	(148)	-
Change in cash and cash equivalents in the reporting period		(4,887)	(2,324)	(4,937)	(2,318)
Cash and cash equivalents at the beginning of the reporting period		6,817	9,141	6,779	9,097
Cash and cash equivalents at the end of the reporting period		1,930	6,817	1,842	6,779
Reconciliation of net income/(expenditure) to net cash flow from operating activities					
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		(16,120)	696	(16,087)	692
Adjustments for:					
Depreciation and amortisation charges	11	1,308	1,332	1,308	1,332
Investment management charges	12	44	40	44	40
Losses/(gains) on investments	12	399	(245)	399	(245)
Returns on investment and servicing of finance		(173)	(178)	(173)	(178)
Profit on the sale of tangible fixed assets		(1,470)	(516)	(1,470)	(516)
Fixed asset impairment	11 (b)	943	327	943	327
Decrease/ (increase) in debtors		3,509	(2,222)	3,452	(2,216)
Increase / (decrease) in creditors		3,444	(902)	3,418	(898)
Increase/ (decrease) in provisions		96	(669)	96	(669)
Non-actuarial decrease in liability	24	-	405	-	405
Net cash provided by operating activities		(8,020)	(1,932)	(8,070)	(1,926)
Analysis of cash and cash equivalents					
Cash at bank and in hand		1,930	6,817	1,842	6,779
Total cash and cash equivalents		1,930	6,817	1,842	6,779

Notes to the Financial Statements

1. PRINCIPAL ACCOUNTING POLICIES

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

Basis of preparation

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

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

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

Going Concern

The Trustees have reviewed the group's and the charity's forecasts and projections covering a period from the date of signing of the financial statements up to June 2025. The organisation has incurred a significant deficit in 2022/2023. The Trustees have agreed to a turnaround programme which is intended to return the organisation to a financially sustainable operating surplus. This programme has seen the organisation take out additional sources of funding to provide it with sufficient liquidity to deliver the turnaround programme. These sources of funding include bridging loans and extension of the existing bank overdraft facility. The turnaround element of the plan will focus on reducing agency spend and corporate overheads and improving the financial performance of services with the aim of returning the operating performance of Hft to a sustainable small surplus. The third part of the overall programme will be the disposal of certain properties in order to repay the debt incurred on the turnaround and provide sufficient ongoing liquidity to the organisations balance sheet.

The Board of Trustees are committed to this plan and given the measures being put in place to manage future cash needs and estimated levels of income and expenditure, the Trustees are satisfied that the group has adequate levels of reserves to continue in operation for the foreseeable future.

Accordingly, the going concern basis has been used in preparing these financial statements. The Trustees consider there to be a material uncertainty in relation to ability to deliver the

turnaround plan and property disposals in line with the timetable required. The turnaround plan requires delivery of multiple streams of activity at the same time against a backdrop of competing demands and external pressures which may affect our capacity to deliver the plan. The timing and value of property disposals are not entirely within the control of the organisation but also subject to market factors.

Basis of consolidation

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement include the financial statements of the company and its subsidiaries made up to 31 March 2023. Intra group transactions and profits are eliminated fully on consolidation.

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

Income

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

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

Income from charitable activities

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

Other income

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

Grant income

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

Expenditure

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

Expenditure on raising funds

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

Expenditure on charitable activities

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

Apportionment of support costs

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

General reserve

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

Designated funds

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

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

Restricted funds

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

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

Intangible fixed assets

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

Tangible fixed assets

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

Impairment of Intangible Fixed Assets

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

The “value in use” for intangible assets is calculated based on discounted future cashflows for the organisation. The “value in use” calculation as at 31st March 2023 used a discount rate of 6.35%, applied to cash flows extending over the remaining contractual term of the assets of 3.5 years. The impairment charge made in the year was £Nil (2022 £Nil).

Impairment of Tangible Fixed Assets

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

Hft is required to make critical judgements and assessments against each housing property that is reviewed. A full market survey and valuation exercise of all housing property was carried out in October 2022. These market values represent the best estimate of recoverable amount when determining the need for an impairment charge for each cash generating property unit. Where the survey market values indicated that prior year’s impairment provisions were no longer required for a property unit then the prior year provisions were reversed. Full market valuations are carried out every four years. The net impairment charge made in the year was £0.9m (2022: £0.3m).

For the year ended 31 March 2022 the most recent market valuation was done in 2018 and considered not representative of recoverable amounts. Instead the recoverable amount of each housing property was based on value in use, which required estimates to be made in respect of the allocation of the property value to each cash generating unit and of the future economic benefit to be derived from the underlying asset.

Depreciation

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

	2023	2022
Assets due for disposal	Nil	Nil
Freehold land	Nil	Nil
Freehold buildings and additions	0-5% pa on cost	0-5% pa on cost
Cyclical refurbishment of buildings	15% pa on cost	15% pa on cost

Equipment	8 - 15% pa on cost	8 - 15% pa on cost
Computers	33⅓% pa on cost	33⅓% pa on cost
Motor vehicles	25% pa on cost	25% pa on cost

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

Operating leases

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

Provisions

- **Dilapidation**
Provisions for dilapidations are recognised on a lease by lease basis and are based on the best estimate of the likely committed expenditure.
- **Onerous lease**
Hft provides for all future lease costs where there is no reasonable expectation of future operating income exceeding the remaining costs of the lease relating to the leased asset.

Stocks

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

Taxation

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

Investments

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

Pension scheme arrangements

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

- The Hft RBS Trustees commenced winding up the The Hft Retirement Benefits Scheme or "RBS" in February 2022. The investment assets were disinvested and the proceeds transferred to a buy-in insurance policy. The Hft RBS Trustees commenced winding up the RBS with a final payment being made in February 2022. The Hft RBS pension scheme

was formally closed in October 2023 and all liabilities subject to the floating charge were settled in full.

- The HF Trust Limited group personal pension plan provided by Aegon was moved into Aegon Retirement Choices (ARC) in 2019 with members having their own self-invested personal pension plan (SIPP) with ARC. The pension is open to certain categories of Hft employees.
- Contributions have been made into either the National Health Service Pension Fund or the West Yorkshire Pension Fund (part of the Local Government Pension Scheme), in respect of colleagues who transferred to Hft under the Bradford day services contract.
- Contributions have been made into the Oxford County Council Pension Fund (part of the Local Government Pension Scheme); in respect of colleagues who transferred to Hft under the Oxford Vale contract.
- From April 2013, contributions have been made into the Care Fund Limited group personal pension plan, in respect of colleagues joining Hft on the acquisition of the Care Fund group; with effect from the date of commencement of automatic enrolment in to The Peoples Pension Scheme (see below), the Group Personal Pension Plan closed to new members.
- From April 2013, contributions have been made into a Scottish Equitable personal pension plan, in respect of colleagues joining Hft on the acquisition of the Care Fund group. This pension plan is closed to new members.
- From April 2013, contributions have been made into a Friends Provident personal pension plan, in respect of colleagues joining Hft on the acquisition of the Care Fund group. This pension plan had one member who left in the year and the scheme is now closed.
- Following the commencement of automatic enrolment, from November 2013 contributions have been made into The Peoples Pension Scheme. This is the only pension scheme offered to new members of staff.
- From April 2013, contributions have been made into a Standard Life personal pension plan, in respect of colleagues joining Hft on the acquisition of the Care Fund group. This pension plan is closed to new members.
- From April 2016, contributions have been made into a Nest pension plan, in respect of colleagues joining Hft on the acquisition of The Edward Lloyd Trust. This pension plan is closed to new members.
- From April 2016, contributions have been made into a Legal & General pension plan, in respect of colleagues joining Hft on the acquisition of The Edward Lloyd Trust. This pension plan is closed to new members.
- From February 2019, contributions have been made into the Clwyd pension scheme in respect of colleagues joining Hft on the acquisition of Flintshire day services contract.

Critical accounting judgements and key sources of estimation uncertainty

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

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

Depreciation and the remaining useful life of fixed assets

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

Provision for dilapidation

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

Impairment review

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

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

Estimated future cash flows for intangible fixed asset impairment calculations are based on the organisation's cash-flow forecast as intangible assets for the organisation consist of costs incurred in implementing systems in use across the whole organisation. Future cash flows are discounted using a discount rate (6.35%) based on the specific cost of capital and is impacted by estimates of interest rates, equity returns and market and country-related risks.

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

If the cash flow or discount rate assumptions used in assessing the future economic benefit were to change because of market conditions, the level of impairment or provisions could be different and could result in the impairment being increased or reversed, in part or in full, at a future date.

2. PRIOR YEAR CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000
Income and endowments from:			
Donations and legacies	1,867	414	2,281
Charitable activities	83,257	-	83,257
Investments	175	-	175
Other	4,022	-	4,022
Total	89,321	414	89,735
Expenditure on:			
Raising funds	1,165	-	1,165
Charitable activities	82,860	956	83,816
Other	3,898	-	3,898
Total	87,923	956	88,879
Net gains/(losses) on investments	245	-	245
Net income/(expenditure)	1,643	(542)	1,101
Other recognised gains/(losses):			
Re-measurement of defined benefit pension scheme	(405)	-	(405)
Net movement in funds	1,238	(542)	696
Total funds brought forward	55,387	17,935	73,322
Total funds carried forward	56,625	17,393	74,018

3. INCOME AND ENDOWMENTS

(a) Donations and legacies

Group and Company	2023 £'000	2022 £'000
Strategic Partnerships	230	433
Regional & community	177	104
Donor marketing	226	259
Donations	633	796
Legacies	1,291	1,485
Total donations and legacies	1,924	2,281

Included within donations is £49k of Gift Aid reclaimed (2022: £47k). Income from Friends Groups of £10k (2022: £9k) is included in donations and includes amounts held by groups.

The expenditure incurred by the Friends Groups has remained minimal during the year and continues to not be material in results based on management estimates. It has not proved practical to obtain expenditure records from individual Friends Groups; however, the Board does not consider that the effect is material and it has no effect on the net incoming resources for the year (2022: no effect).

(b) Income from Charitable Activities

Group and Company	2023 £'000	2022 £'000
Service income	76,805	82,752
Special projects	457	441
Community Interest Company income	85	64
Total	77,347	83,257

4. HFT TRADING LIMITED

Hft has a wholly owned trading subsidiary, which is incorporated in England and Wales, with a registered office at 5/6 Brook Office Park, Folly Brook Road, Emersons Green, Bristol. Hft Trading Limited (company registration 02764761) undertakes non-primary purpose trading activities, namely the retail sale of Hft branded cards and gifts. The distributable net profit is distributed to Hft. There has been no trade in the current year. A summary of the trading results of the subsidiary are shown below.

	2023 £'000	2022 £'000
Turnover	-	-
Cost of sales	-	-
Gross profit	-	-
Administration	-	(6)
Loss before Gift Aid payment	-	(6)
Retained profit brought forward	-	-
Gift Aid payment to the company	-	-
Retained in subsidiary	-	(6)
Analysis of net assets/liabilities:		
Current assets	22	22
Current liabilities	(28)	(28)
Net liabilities	(6)	(6)

5. HFT PROPERTY LIMITED

Hft has a wholly owned property subsidiary, which is incorporated in the England and Wales, with a registered office at 5/6 Brook Office Park, Folly Brook Road, Emersons Green, Bristol. Hft Property Limited (company registration 03216502) develops property to provide residential accommodation for people with learning disabilities. There has been no trade in the current year. A summary of the net assets is shown below.

	2023 £'000	2022 £'000
Operating expenditure	-	(2)
Loss	-	(2)
Current assets	4	4
Current liabilities	(6)	(6)
Net liabilities	(2)	(2)

6. LUV2MEETU COMMUNITY INTEREST COMPANY

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

	2023 £'000	2022 £'000
Turnover	85	64
Operating expenditure	(74)	(68)
Net (loss)/income	11	(4)
Retained profit brought forward	15	19
Tax charge	(1)	-
Retained in subsidiary	25	15
Current assets	67	18
Current liabilities	(42)	(3)
Net assets	25	15

7. OTHER INCOME

Other income comprises:

	2023 £'000	2022 £'000
Miscellaneous Income	31	-
Exceptional (CV19 and business interruption claim)	247	3,506
Gains on disposal of tangible fixed assets	1,470	516
Total other income	1,748	4,022

8. EXPENDITURE

a) Analysis of expenditure	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	Total 2023 £'000	Total 2022 £'000
Raising funds	692	197	429	1,318	1,165
Charitable activities:					
Service costs	64,186	14,270	10,043	88,499	80,759
Special projects	1,400	606	-	2,006	2,990
Community Interest company costs	-	-	-	-	67
	65,586	14,876	10,043	90,505	83,816
Other:					
Marketing and publicity costs	320	221	-	541	444
Investment management fees	-	44	-	44	40
Exceptional costs	2,676	943	-	3,619	2,927
Governance	-	-	881	881	487
	2,996	1,208	881	5,085	3,898
Total expenditure	69,274	16,281	11,353	96,908	88,879

Exceptional costs include an annual impairment review of tangible assets at a cost of £0.9m and £2.7m of costs related to the Helix system implementation. Exceptional costs for FY22 included all expenditure related to maintaining the organisation throughout the pandemic.

b) Analysis of support costs	Raising funds costs £'000	Service costs £'000	Total 2023 £'000	Total 2022 £'000
Operations	92	2,351	2,443	1,435
Human Resources	74	1,894	1,968	2,788
Finance and Company Secretary	53	1,360	1,413	1,305
Estates	80	2,032	2,112	1,532
Information Technology	54	1,369	1,423	2,103
Governance	35	881	916	487
Corporate Management	41	1,037	1,078	207
Total support costs	429	10,924	11,353	9,857

c) Analysis of professional and Trustee costs	2023 £'000	2022 £'000
Internal assurance	68	33
External audit, tax advice and assurance	77	59
Legal, professional & consultancy fees	342	153
Trustee expenses and meeting costs	10	2
Trustee liability and other insurance costs	20	12
Total professional and Trustee costs	517	259

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging:	2023 £'000	2022 £'000
Operating lease charges:		
Land & buildings	803	1,095
Motor vehicles	484	582
Auditor's remuneration (company £47k; 2022: £47k)	71	52
Auditor's remuneration – tax advice, assurance reports	6	7
Impairment of fixed assets	943	327
Depreciation	896	906
Amortisation	412	426
(Profit) on the sale of fixed assets	(1,470)	(516)

10. EMPLOYEES

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

	2023		2022	
	Number	£'000	Number	£'000
Salaries:				
Fundraising	24	853	14	586
Services & Projects	2,203	45,649	2,722	48,026
Special Projects	30	649	41	834
Support & Governance	371	7,492	241	6,575
	<u>2,628</u>	<u>54,643</u>	<u>3,018</u>	<u>56,021</u>
Other staff costs:				
National Insurance costs		4,540		4,446
Pension costs		1,242		1,862
		<u>60,425</u>		<u>62,329</u>

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

	2023 No.	2022 No.
£60,001 - £70,000	6	9
£70,001 - £80,000	4	4
£90,001 - £100,000	2	2
£100,001 - £110,000	1	4
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-

For those colleagues whose emoluments exceed £60k per annum, pension contributions amounting to £24k (2022: £14k) were paid for the provision of money purchase benefits. All of these staff benefits accruing under the Group Personal Pension Plan.

Included within the employment costs are redundancy and termination payments totalling £218k (2022: £412k). These payments are recognised as soon as the liability to the charity crystallises under the terms of the agreement with the employee.

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

Group and parent	2023 £'000	2022 £'000
Emoluments	737	855
Employers national insurance contributions	93	109
Employers pension fund contributions	26	39
	856	1,003

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

The Trustees received no emoluments during the year (2022: £Nil). The aggregate amount of expenses incurred by Trustees during the year amounted to £Nil (2022: £Nil).

11. (a) INTANGIBLE FIXED ASSETS

Group and company	Computer software £'000
Cost:	
At 1 April 2022	3,299
Additions	-
At 31 March 2023	3,299
Amortisation:	
At 1 April 2022	2,011
Charge for the year	412
At 31 March 2023	2,423
Net book value:	
At 31 March 2023	876
At 31 March 2022	1,288

11. (b) TANGIBLE FIXED ASSETS

Group & Company		Freehold land & buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost:	At 1 April 2022	75,703	1,140	729	77,572
	Additions	601	273	-	874
	Disposals	(3,742)	(91)	(67)	(3,900)
	At 31 March 2023	72,562	1,322	662	74,546
Depreciation:	At 1 April 2022	19,314	935	729	20,978
	Charge for the year	825	71	-	896
	Impairment loss	943	-	-	943
	Disposals	(1,073)	(90)	(67)	(1,230)
	At 31 March 2023	20,009	916	662	21,587
Net book value:	At 31 March 2023	52,553	406	-	52,959
	At 31 March 2022	56,389	204	-	56,593

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

12. FIXED ASSET INVESTMENTS

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Market value:				
At 1 April 2022	7,265	6,882	7,265	6,882
Income reinvestment	173	178	173	178
Disposal	(16)	-	(16)	-
Net gain/(loss) on investment assets	(399)	245	(399)	245
Investment management charges	(44)	(40)	(44)	(40)
At 31 March 2023	6,979	7,265	6,979	7,265

Investments are represented by:

	Cost	Market Value		Gross Income	
	2023 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Investments listed in the UK:					
Common investment funds	60	54	58	1	-
Fixed interest	1,014	995	1,212	36	42
Equity shares	638	722	1,777	43	55
Property and other funds	1,110	1,168	1,622	46	49
Cash	300	300	556	1	-
Interest	-	18	-	-	-
	3,122	3,257	5,225	127	146
Investments listed outside the UK:					
Equity shares	2,382	2,499	2,040	10	29
Fixed interest	1,321	1,223	-	36	-
Company & Group	6,825	6,979	7,265	173	175

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

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

13. STOCKS

Stocks of £5k (2022: £5k) comprise bought in items for Hft Trading Limited.

14. DEBTORS

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Due within one year:				
Loan due from Hft Trading Limited	-	-	10	10
Other amounts due from subsidiary				
Hft Property Limited	-	-	-	1
Hft Trading Limited	-	-	15	9
Loan due from Dimensions (UK) Ltd	42	42	42	42
Fees and grants	3,893	4,988	3,893	4,936
Other debtors	31	-	31	-
Prepayments	574	701	574	701
Accrued income	1,460	3,778	1,460	3,778
	6,000	9,509	6,025	9,477

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

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

15. CASH AT BANK AND IN HAND

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Cash and bank balances	1,930	6,817	1,842	6,779
	1,930	6,817	1,842	6,779

16. CREDITORS

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Due within one year:				
Interest free loans	-	148	-	148
Trade creditors	1,401	2,021	1,401	2,002
Taxation and social security payable	1,147	1,240	1,147	1,240
Other creditors	17	7	17	3
Accruals	6,486	3,356	6,435	3,354
Deferred income	1,443	426	1,443	426
	10,494	7,198	10,443	7,173
Due after more than one year:				
Mortgage loans (see note 19)	250	250	250	250
	250	250	250	250
Mortgage loans – repayable after more than one year:				
In more than five years	250	250	250	250
	250	250	250	250

Deferred income reconciliation

	Group	Company
	£'000	£'000
At 1 April 2022	426	426
Released during year	(426)	(426)
Provided during year	1,443	1,443
At 31 March 2023	1,443	1,443

Deferred income comprises income received in respect of fees relating to services provided after 31 March 2023.

17. PROVISIONS FOR LIABILITIES

Group & Company - Movement during the year	At 1 April 2022 £'000	Additions £'000	Releases £'000	At 31 March 2023 £'000
Dilapidation	-	107	-	107
Repairs provision	1	-	(1)	-
RBS Buyout Provision	10	-	(10)	-
	11	107	(11)	107

18. INTEREST FREE LOANS

The interest free loans are repayable on demand. At 31 March 2023, the interest free loans were wholly covered by cash and investments.

19. MORTGAGE

Mortgage loans	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cornwall County Council	250	250	250	250
	250	250	250	250

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

20. STATEMENT OF FUNDS

	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Unrestricted Funds £'000	Total Funds £'000
Company					
At 1 April 2022	17,393	11,614	44,961	56,575	73,968
Income	1,205	79,941	-	79,941	81,146
Expenditure	(1,130)	(92,503)	(3,201)	(95,704)	(96,834)
Other recognised gains /(losses)	-	(399)	-	(399)	(399)
At 31 March 2023	17,468	(1,347)	41,760	40,413	57,881
At 1 April 2021	17,935	9,603	45,738	55,341	73,276
Income	414	89,250	-	89,250	89,664
Expenditure	(956)	(87,079)	(777)	(87,856)	(88,812)
Other recognised gains /(losses)	-	(160)	-	(160)	(160)
At 31 March 2022	17,393	11,614	44,961	56,575	73,968
Group					
At 1 April 2022	17,393	11,664	44,961	56,625	74,018
Income	1,205	79,982	-	79,982	81,187
Expenditure	(1,130)	(92,577)	(3,201)	(95,778)	(96,908)
Other recognised gains /(losses)	-	(399)	-	(399)	(399)
At 31 March 2023	17,468	(1,330)	41,760	40,430	57,898
At 1 April 2021	17,935	9,649	45,738	55,387	73,322
Income	414	89,321	-	89,321	89,735
Expenditure	(956)	(87,146)	(777)	(87,923)	(88,879)

Other recognised gains /(losses)	-	(160)	-	(160)	(160)
At 31 March 2022	17,393	11,664	44,961	56,625	74,018

Restricted funds

Comprises the project fund and the fixed asset fund (see note 23).

Unrestricted funds

The general reserve represents the working capital operating reserve of the group. This was negative at 31 March 2023 due to the deficits incurred during the financial year. The designated fund comprises the capital project fund and the fixed asset fund (see note 22).

21. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

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

Prior year Representation of fund balances	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Group					
Tangible & intangible assets	11,382	1,288	45,211	57,881	58,644
Fixed asset investments	-	7,265	-	7,265	6,882
Cash and bank balances	6,011	806	-	6,817	9,141
Other current assets	-	9,514	-	9,514	7,973
Current liabilities	-	(7,198)	-	(7,198)	(8,100)
Long-term liabilities	-	-	(250)	(250)	(538)
Provision for liabilities and charges	-	(11)	-	(11)	(680)
Net assets	17,393	11,664	44,961	74,018	73,322
Company					
Tangible & intangible assets	11,382	1,288	45,211	57,881	58,644
Fixed asset investments	-	7,265	-	7,265	6,882
Cash and bank balances	6,011	768	-	6,779	9,097
Other current assets	-	9,477	-	9,477	7,942
Current liabilities	-	(7,173)	-	(7,173)	(8,071)
Long-term liabilities	-	-	(250)	(250)	(538)
Provision for liabilities and charges	-	(11)	-	(11)	(680)
Net assets	17,393	11,614	44,961	73,968	73,276

22. DESIGNATED FUNDS – GROUP

Designated funds comprise the following individual funds:

Representation of designated funds	At 1 April 2022 £'000	Expenditure £'000	Fixed asset transfers £'000	Fund transfers £'000	At 31 March 2023 £'000
Designated fixed asset fund	44,961	(3,201)	-	-	41,760

Prior year representation of designated funds	At 1 April 2021 £'000	Expenditure £'000	Fixed asset transfers £'000	Fund transfers £'000	At 31 March 2022 £'000
Designated fixed asset fund	45,738	(777)	-	-	44,961

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

23. RESTRICTED FUNDS – GROUP AND COMPANY

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

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

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

Extra Special Trust : Donated £774k for the income to be used to provide people we support with exceptional items to enhance their lives. Subsequent to the year-end a review was undertaken of the Extra Special Trust by Trustees which concluded the Trust formed part of General Reserves and the balance was therefore transferred in the 2023/2024 financial year.

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

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

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

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

General Regional Funds: Regional fundraising for general regional purposes, for future services and goods that are not funded by Local Authorities.

Other grants & donations: This includes individual smaller donations.

24. PENSION COMMITMENTS

(a) Home Farm Trust Retirement Benefits Scheme

During the year ended 31 March 2020 the Hft Board approved the buyout of the Hft Retirement Benefit Scheme (Hft RBS) Pension fund. The investment assets were disinvested and the proceeds transferred to a buy-in insurance policy. The Hft RBS Trustees commenced winding up the RBS with a final payment being made in February 2022. The Hft RBS pension scheme was formally closed in October 2023 and all liabilities subject to the floating charge were settled in full.

(b) Self-Invested Personal Pension

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

The assets of the plan, which are held separately from those of the company, are invested with Aegon Plc. The pension charge for the year was £116k (2022: £163k). The charge for the year includes £111k (2022: £64k) contributed under an employee salary-sacrifice scheme. An amount of £26k was owing to the plan in respect of contributions as at 31 March 2023 (2022: £8k).

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

(c) NHS Pension Scheme

Contributions have been made to the NHS Pension Scheme in respect of colleagues transferred to the company under the Bradford day services contract (since February 2012) and Oxford Vale contract (since September 2012).

The NHS Pension Scheme is an approved multi-employer defined benefit scheme. Hft is unable to identify its share of the assets and liabilities of the scheme at the balance sheet date and as such is treated as a defined contribution scheme in accordance with FRS102.

Contributions to the scheme are charged to the SOFA in the period in which they fall due. The amount charged to the SOFA was £1k (2022: £277k) and contributions owing to the scheme as at 31 March 2023 were £Nil (2022: £22k).

(d) Local Government Pension Scheme

The company is classified as an admitting body for the West Yorkshire Pension Fund and Oxford County Council Pension Fund following the transfer of staff under the Bradford day services and Oxford Vale contracts.

The share of the deficit on each of these schemes attributable to the company has been calculated by the scheme actuaries and in the opinion of the Trustees is not material individually or in total. The schemes are accordingly accounted for as defined contribution schemes and contributions to the scheme are charged to the SOFA in the period in which they fall due.

The amount charged to the SOFA in respect of both schemes was £36k (2022: £84k) and contributions owing to the schemes as at 31 March 2023 were £Nil (2022: £7k).

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

As a part of the new service in Flintshire Hft pays into the Clwyd Pension Fund. Contributions into the scheme totalled £92k (2022: £106k) during the year with £7k (2022: £11k) owing to the scheme in respect of contributions.

(e) Care Fund Group Personal Pension Plan

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

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

The assets of the plan, which are held separately from those of the group, are invested with Standard Life plc. The pension charge for the year was £19k (2022: 20k). An amount of £Nil was owing to the plan in respect of contributions as at 31 March 2023 (2022: £2k).

(f) The Peoples Pension Scheme

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

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

The pension charge for the year was £921k (2022: £887k). An amount of £171k was owing to the plan in respect of contributions as at 31 March 2023 (2022: £75k).

(g) Other pension schemes

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

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

The assets of the plan, which are held separately from those of the group, are invested with Scottish Equitable plc, Friends Provident plc, Nest and Legal & General. The pension charge for the year was £6k (2022: £8k). An amount of £Nil was owing to the plan in respect of contributions as at 31 March 2023 (2022: £0.5k).

25. FINANCIAL COMMITMENTS

Total minimum commitments for non-cancellable operating leases are as follows:	2023		2022	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Amounts payable within one year	556	329	630	321
Amounts payable between one and five years	1,470	654	1,707	453
Amounts payable in over five years	1,805	1	2,124	-
	3,831	984	4,461	774

26. CAPITAL COMMITMENTS

There are no capital commitments to report.

27. CONTINGENT LIABILITIES

There are no contingent liabilities to report.

28. POST BALANCE SHEET EVENTS

There are no post balance sheet events to note.

28. RELATED PARTY TRANSACTIONS

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

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

Hft has no outstanding balance due from LUV2MEETU CIC. Costs of £38k were recharged to LUV2MEETU CIC (2022: £65k).

(a) Related transactions in parent company for year ending 31 March 2023:

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

(b) Related transactions in parent company for year ending 31 March 2022:

	Sales £'000	Purchases £'000	Debtor £'000	Creditor £'000
Hft Property Limited	-	-	1	-
Hft Trading Limited	-	-	19	-
Luv2meetU	65	-	-	-
Total	65	-	20	-

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

30. CAPITAL

The charity is a parent company limited by guarantee. Each member has undertaken to contribute £10 to the assets of the group to meet its liabilities if called on to do so. The total amount guaranteed by members at 31 March 2023 is £1k (2022: £1k).

31. FINANCIAL INSTRUMENTS

The company's financial instruments are as follows:

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Financial assets				
Debt instruments				
Loan due from Dimensions UK	42	42	42	42
Total	42	42	42	42
Equity Investments				
Listed investments	6,979	7,265	6,979	7,265
Financial Liabilities				
Mortgage loans	250	250	250	250
Interest free loans	-	148	-	148
Total	250	398	250	398

Equity Instruments

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

32. RESTRICTED FUNDS Prior year – GROUP AND COMPANY

	At 1 April 2021	Income	Transfer	Expenditure	At 31 March 2022
	£'000	£'000	£'000	£'000	£'000
General service restrictions:					
Gloucestershire	125	12	-	(15)	122
Sheffield	22	1	(5)	-	18
The Wirral	28	9	(14)	(6)	17
Kent South	44	12	27	(4)	79
South Oxfordshire	13	2	9	-	24
Herts & Essex	68	14	38	(30)	90
Devon	275	4	-	(5)	274
Leeds	36	-	-	(2)	34
Bedfordshire	40	32	-	(14)	58
Arden Vale	31	6	-	(14)	23
Cornwall	86	16	17	(14)	105
Kingston-upon-Thames	35	5	9	(9)	40
North Oxfordshire	34	-	6	(6)	34
Bristol	4	8	6	(9)	9
Bradford	81	10	(10)	(1)	80
Kent North	80	42	(81)	(9)	32
Sussex	262	85	34	(82)	299
Shropshire	28	11	-	(8)	31
Leicestershire	24	8	(6)	(6)	20
London	22	21	10	(13)	40
Wiltshire	20	1	(21)	-	-
Lancashire	3	2	16	(2)	19
Newcastle	6	3	(1)	(3)	5
Flintshire	48	35	14	(12)	85
Other project grants: L2MU, PT	542	75	181	(227)	571
Newcastle Edward Lloyd Trust	877	-	-	-	877
Other restrictions:					
Edenbridge legacy	645	-	-	-	645
Extra Special Trust	774	-	4	-	778
Tiverton Drop-In Centre	57	-	-	-	57
Design for Life - East Midlands	408	-	-	-	408
Design for Life - Lancashire	53	-	(3)	-	50
West Sussex - Community Fund	137	-	-	-	137
General Regional Funds	682	-	(230)	-	452
Others Grants & Donations	498	-	-	-	498
Restricted project fund	6,088	414	-	(491)	6,011
Restricted fixed asset fund	11,847	-	-	(465)	11,382
Total restricted funds	17,935	414	-	(956)	17,393