

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

Company Registration No. 734984

Charity Registration No. 313069

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Reference and administrative details

Royal Patron

HRH The Princess Royal

Trustees

Amanda Bunce (Chair)

Paul Morgan

Irfana Malik

Timothy Tamblyn

John Devapriam (Vice Chair from 20.10.23)

Hugh Piper

Lesley Hutchinson

Michael Butler (appointed 09.01.24)

Annemarie Strong (co-opted 26.01.23)

Simon Jones (resigned, Vice Chair until 20.10.23)

Desmond Spencer (co-opted 01.02.24)

Jonathan Laredo (co-opted 01.02.24)

Executive Management

Stephen Veevers (Chief Executive from 01.01.24)

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

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

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

Tracy Hampson (Director of Operations from 12.12.23)

Kate Jenkins (Interim Director of People from 02.01.24)

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

Kaajal Chotai (Chief Quality and Governance Officer until 22.03.24)

Kirsty Matthews (Chief Executive until 31.12.23)

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

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

Teresa Parker (Chief Commercial Housing Officer until 28.04.2023)

Principal Bankers

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

External Auditor

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

Internal Auditor

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

Solicitors

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

Investment Managers

Investec, 2 Gresham Street, London, EC2V 7QN

Registered Office

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

Reference Details

Hft Trust Limited often uses the abbreviation "Hft"

The Company is registered charity number 313069.

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

Welcome and overview from the Chair of Trustees and Chief Executive

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Amanda Bunce

Chair of the Hft Board of Trustees

A handwritten signature in black ink, appearing to read 'Steve Veevers', on a light blue background.

Steve Veevers

Chief Executive Officer

26 September 2024

Strategic Report: Objectives, Activities and Public Benefit

Aims and objectives

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

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

Principal activities

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

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

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

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

Public benefit

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

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

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

Achievements and Performance

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

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

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

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

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

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

Getting the basics right

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

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

Financial sustainability

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

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

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

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

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

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

	further inward investment will be informed by a strategic review, including external consultants, which is underway with both Trustees and Executive Management.
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In addition to the above key priorities the organisation also reluctantly had to close and exit several services which had been generating significant deficits. These are expected to reduce the deficit by £1.4m on an annualised basis.

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

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

Systems development

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

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

Complex behavioural needs service

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

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

Property management

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

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

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

Our Colleagues

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

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

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

- Joint commitment to the success of the organisation

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

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

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

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

Our Volunteers

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

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

Future Plans

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

Structure, Governance and Management

Report of the Board of Trustees

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

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

Constitution and status

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

Organisational structure and governance Board

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

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

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

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

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

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

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

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

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

Board Committees

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

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

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

Audit & Risk Committee 'ARC'	At least 3 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.
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 Trustee 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 and Articles of Association to the Board and Members.
Commercial Performance	At least 3 times	<ul style="list-style-type: none"> Oversight of budgeting and financial planning, financial reporting, and the creation and monitoring

Committee 'CP'	a year	<p>of internal controls and accountability policies to ensure the organisations financial health.</p> <ul style="list-style-type: none"> • 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. • 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&C'	At least 3 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.
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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)	CP, Q&C, R&N	Nominated	01/02/2018	Active
Simon Jones (Vice Chair from 31.03.2022)	ACR, CP	Elected	20/10/2017	Resigned 20/10/2023
Paul Morgan	R&N	Elected	19/10/2018	Active
John Devapriam	Q&C	Elected	20/06/2019	Active
Irfana Malik	ARC	Nominated	19/09/2019	Active
Timothy Tamblyn	A&R	Nominated	27/05/2021	Active
Annemarie Strong	Q&S, R&N	Elected	27.03.2024 (co-opted from 26/01/2023)	Active
Lesley Hutchinson	CP, Q&C	Elected	09/11/2022	Active
Hugh Piper	CP, R&N	Nominated	26/05/2022	Active
Michael Butler		Nominated	19/12/2023	Active
Jonathan Laredo		Elected	27/03/2024	Active
Des Spencer		Elected	27/03/2024	Active

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

Operational structure

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

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

Related parties and subsidiaries

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

Equality and Diversity Policy

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

There are policies in place to:

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

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

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

Modern Slavery Statement

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

Fundraising Activity and Standards

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

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

In 2023/2024 we ensured compliance by:

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

Legacy

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

TCS London Marathon

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

Wrag Barn Golf Day

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

Choose a Challenge

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

National Charity Partnership of The Year

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

Special Thanks

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

Trusts – year to 31st March 2024:

The Helen Roll Charity

The Rowney Trust

The Tula Trust

WCVA (Welsh Council for Voluntary Action)

The Patrick & Helena Frost Foundation

The Percy Bilton Charity

John James Bristol Foundation

The Honeyman Charitable Trust

SIA (Security Industry Authority)

Bradford Metropolitan Council

The Blair Foundation

The Princess Anne's Charities

Barnwood trust

Sheffield Church Burgesses Trust

The Lord Leverhulme's Charitable Trust

Robert Lucas for the Poor & for Public Purposes

Stroud District Council

The Ammeco Trust

David Solomon's Charitable Trust

Froxfield Charitable Trust

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

Investments

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

Environmental Policy and Actions

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

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

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

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

Waste and Recycling

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

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

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

Carbon policy and energy and greenhouse gas report

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

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

Global GHG Emissions & Energy Use Data			
	1st April 2023 - 31st March 2024	1st April 2022 - 31st March 2023	Change
Scope 1	928.64 tonnes CO ₂ e	1145.38 tonnes CO ₂ e	18.92%
Scope 2	556.84 tonnes CO ₂ e	463.20 tonnes CO ₂ e	20.22%
Scope 3	179.82 tonnes CO ₂ e	200.87 tonnes CO ₂ e	10.48%
TOTAL	1665.3 tonnes CO₂e	1809.45 tonnes CO₂e	-7.97%

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

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

Current reporting year 1st April 2023 – 31st March 2024	
Emissions from combustion of gas tCO ₂ e (Scope 1).	908.10 tonnes CO₂e 0.91 tonnes CO ₂ e office usage 907.19 tonnes CO ₂ e landlord supply

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

Internal Controls Statement

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

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

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

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

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

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

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

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

Principal Risks and Uncertainties

Principal Risks to Hft	Controls in place to mitigate these risks
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. • External quality assurance via selective 'mock CQC' assessments • 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 services to people we support.	<ul style="list-style-type: none"> • Turnaround programme in place targeted at delivering a return to financial sustainability for the organisation. This includes agency reduction, permanent support worker recruitment, reduction in corporate overheads, increasing income through renegotiation of historically low rates with local authorities, ensuring sufficient finance is available through loans and overdrafts, ensuring there is a plan in place to finance the organisation in the longer term. • Finance reporting statements, ownership and accountabilities.

	<ul style="list-style-type: none"> • Regular reporting financial KPI's against turnaround metrics. • Regular cash-flow forecasting. • Financial systems and data management used to provide timely visibility of financial performance across the organisation. • Business case evaluation and sign off. • Review of performance with the regulator and other key stakeholders.
Failure to recruit, retain and invest in an effective workforce which results in increased agency spend and reduced quality.	<ul style="list-style-type: none"> • New management structure in place across Care and Support to strengthen operational management. • Investment in a centralised recruitment model including new senior recruitment roles. • Ongoing pay reviews including market benchmarking to ensure pay is competitive against other providers and relevant sectors. • Work ongoing to streamline recruitment process • EAP programme and Hardship fund. • Range of employee benefits introduced to support the retention of staff. • 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 (2023: £13k).

Consideration of the directors' Responsibilities

Section 172 Statement:

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

The likely consequence of any decision in the long term

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

The interest of the company's employees

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

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

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

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

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

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

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

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

The need to act fairly as between members of the company

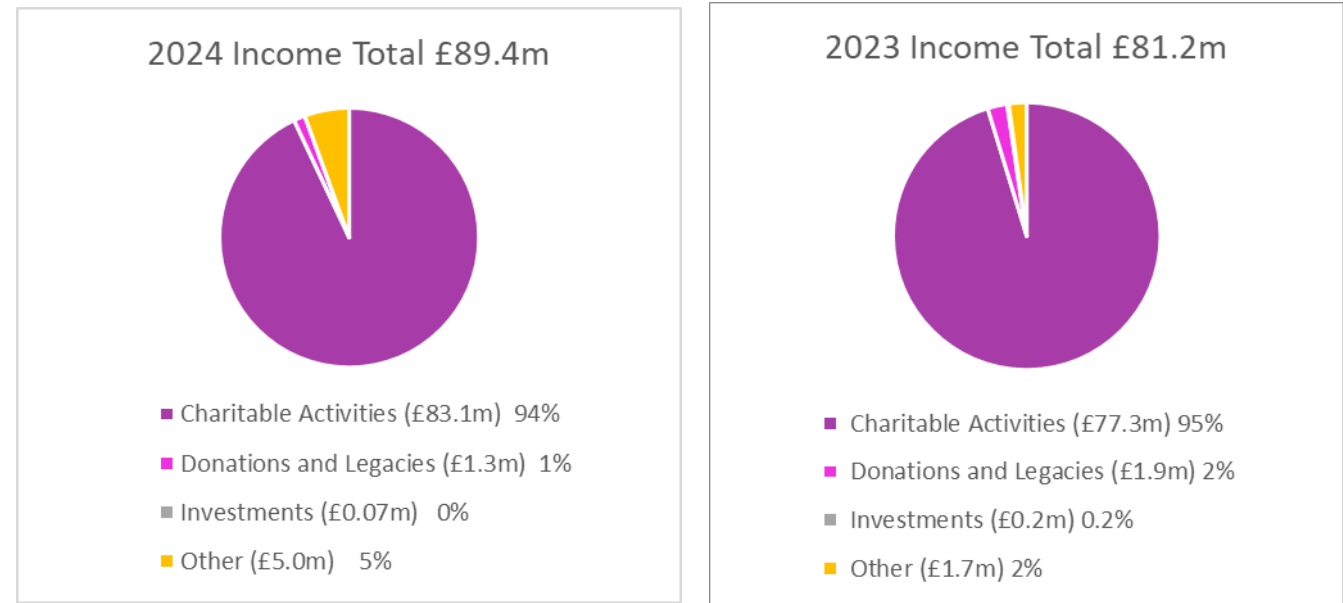
We aim to be a fully inclusive organisation which is relevant and accessible for anyone with a learning disability, their families and our colleagues. We will not unfairly discriminate against anyone.

Financial Review

Income

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

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



Expenditure

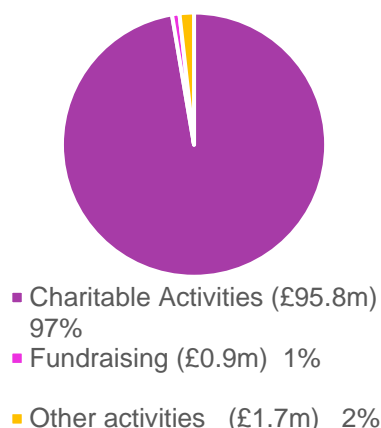
Total expenditure in the year to 31 March 2024 was £98.4m, a £1.5m increase on 2023 (2023: £96.9m).

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

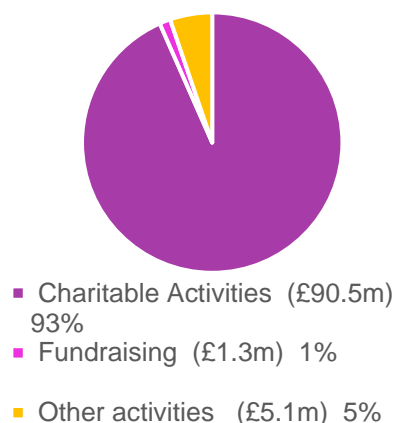
Exceptional costs (as included within other activities below) decreased by £3.4m to £1.7m in 2023/2024 consisting of £0.3m of implementation costs relating to the Helix transformation project and £1.4m of redundancy and legal and professional costs relating to the turnaround.

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

2024 Expenditure Total £98.4m



2024 Expenditure Total £96.9m



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

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

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

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

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

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

Trading activity

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

Charity projects

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

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

Balance Sheet

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

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

Reserves

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

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

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

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

Investment powers, policy and objectives

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

Going Concern

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

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

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

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

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

Statement of Trustees' responsibilities

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

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

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

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

In so far as the trustees are aware:

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

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

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

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

Amanda Bunce
Chair

26 September 2024

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

Opinion

We have audited the financial statements of HF Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Group and Charitable Company Balance Sheets, the Group and Charitable Company Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Material uncertainty related to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 35, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

RSM UK Audit LLP

NICHOLAS SLADDEN (Senior Statutory Auditor)

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

Chartered Accountants

25 Farringdon Street,

London,

EC4A 4AB

3 October 2024

Consolidated Statement of Financial Activities

for the year ended 31 March 2024

(including Consolidated Income and Expenditure Account)

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

Balance Sheet

As at 31 March 2024

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

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

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

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

Amanda Bunce

Chair

26 September 2024

Cashflow Statement

for the year ended 31 March 2024

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

Notes to the Financial Statements

1. PRINCIPAL ACCOUNTING POLICIES

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

Basis of preparation

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

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

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

Going Concern

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

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

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

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

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

Basis of consolidation

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

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

Income

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

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

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

Income from charitable activities

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

Other income

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

Grant income

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

Expenditure

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

Expenditure on raising funds

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

Expenditure on charitable activities

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

Apportionment of support costs

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

General reserve

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

Designated funds

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

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

Restricted funds

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

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

Intangible fixed assets

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

Tangible fixed assets

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

Impairment of Intangible Fixed Assets

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

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

Impairment of Tangible Fixed Assets

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

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

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

Depreciation

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

	2024	2023
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 Hft Retirement Benefits Scheme or "RBS" in February 2022. The investment assets were disinvested and the proceeds transferred to a buy-in insurance policy. The Hft RBS Trustees commenced winding up the RBS with a final payment being made in February 2022. The Hft RBS pension scheme was formally closed in October 2023 and all liabilities subject to the floating charge were settled in full.
- The HF Trust Limited group personal pension plan provided by Aegon was moved into Aegon Retirement Choices (ARC) in 2019 with members having their own self-invested personal pension plan (SIPP) with ARC. The pension is open to certain categories of Hft employees.
- Contributions have been made into either the National Health Service Pension Fund or the West Yorkshire Pension Fund (part of the Local Government Pension Scheme), in respect of colleagues who transferred to Hft under the Bradford day services contract.
- Contributions have been made into the Oxford County Council Pension Fund (part of the Local Government Pension Scheme); in respect of colleagues who transferred to Hft under the Oxford Vale contract.

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

Depreciation and the remaining useful life of fixed assets

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

Provision for dilapidation

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

Impairment review

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

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

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

Receivable due in relation to Ironbridge development

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

2. PRIOR YEAR CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

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

3. INCOME AND ENDOWMENTS

a) Donations and legacies

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

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

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

b) Income from Charitable Activities

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

4. HFT TRADING LIMITED

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

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

5. HFT PROPERTY LIMITED

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

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

6. LUV2MEETU COMMUNITY INTEREST COMPANY

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

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

7. OTHER INCOME

Other income comprises:

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

8. EXPENDITURE

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

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

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

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

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

9. NET EXPENDITURE

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

10. EMPLOYEES

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

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

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

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

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

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

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

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

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

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

11. (a) INTANGIBLE FIXED ASSETS

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

11. (b) TANGIBLE FIXED ASSETS

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

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

12. FIXED ASSET INVESTMENTS

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

Investments are represented by:

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

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

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

13. DEBTORS

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

Due after one year

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Ironbridge consideration	2,383	-	2,383	-
	2,383	-	2,383	-

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

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

14. CASH AT BANK AND IN HAND

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

15. CREDITORS

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

Deferred income reconciliation

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

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

16. PROVISIONS FOR LIABILITIES

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

17. INTEREST FREE LOANS

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

18. MORTGAGE

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

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

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

19. STATEMENT OF FUNDS

	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Unrestricted Funds £'000	Total Funds £'000
Company					
At 1 April 2023	17,468	(1,347)	41,760	40,413	57,881
Income	531	88,761	-	88,761	89,292
Expenditure	(995)	(96,012)	(1,376)	(97,388)	(98,383)
Transfer	(778)	778	-	778	-
Other recognised gains /(losses)		(78)	-	(78)	(78)
At 31 March 2024	16,226	(7,898)	40,384	32,486	48,712
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
Group					
At 1 April 2023	17,468	(1,330)	41,760	40,430	57,898
Income	531	88,831	-	88,831	89,362
Expenditure	(995)	(96,079)	(1,376)	(97,455)	(98,450)
Transfer	(778)	778	-	-	-
Other recognised gains /(losses)	-	(78)	-	(78)	(78)
At 31 March 2024	16,226	(7,878)	40,384	32,506	48,732
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

Restricted funds

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

Unrestricted funds

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

20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

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

Prior year 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

21. DESIGNATED FUNDS – GROUP

Designated funds comprise the following individual funds:

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

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

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

22. RESTRICTED FUNDS – GROUP AND COMPANY

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

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

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

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

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

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

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

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

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

Other grants & donations: This includes individual smaller donations.

23. PENSION COMMITMENTS

(a) Self-Invested Personal Pension

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

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

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

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

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

(b) Care Fund Group Personal Pension Plan

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

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

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

(f) The Peoples Pension Scheme

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

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

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

(g) Other pension schemes

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

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

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

24. FINANCIAL COMMITMENTS

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

25. CAPITAL COMMITMENTS

There are no capital commitments to report.

26. CONTINGENT LIABILITIES

There are no contingent liabilities to report.

27. POST BALANCE SHEET EVENTS

There are no post balance sheet events to note.

28. RELATED PARTY TRANSACTIONS

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

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

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

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

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

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

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

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

29. CAPITAL

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

30. FINANCIAL INSTRUMENTS

The company's financial instruments are as follows:

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

Equity Instruments

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

31. RESTRICTED FUNDS Prior year – GROUP AND COMPANY

	At 1 April 2022	Income	Transfer	Expenditure	At 31 March 2023
	£'000	£'000	£'000	£'000	£'000
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