

HF Trust Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2025

Company Registration No. 734984

Charity Registration No. 313069

Contents

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

Reference and administrative details

Royal Patron

HRH The Princess Royal

Trustees

Amanda Bunce (Chair)

Paul Morgan

Irfana Malik

Timothy Tamblyn

John Devapriam (Vice Chair)

Michael Butler

Annemarie Strong

Desmond Spencer

Jonathan Laredo

Hugh Piper (resigned 27.03.2025)

Lesley Hutchinson (resigned 27.03.2025)

Executive Management

Stephen Veevers (Chief Executive)

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

Kate Jenkins (Interim Director of People)

Joanna Grainger (Interim Director of Housing from 28.08.24)

Becky Speight (Chief Operating Officer from 17.03.25)

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

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

Tracy Hampson (Director of Operations until 20.06.2025)

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

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

Principle Bankers

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

External Auditor

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

Internal Auditor

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

Solicitors

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

Registered Office

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

Reference Details

Hft Trust Limited often uses the abbreviation "Hft"

The Company is registered charity number 313069.

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

Welcome from the Chair of Trustees and Chief Executive

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

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

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

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

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

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

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

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

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

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

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

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

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

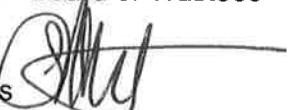
As we look forward to 2025/26, we do so with no small sense of resolve and optimism. There is still work to do to return the organisation to break even and to a financially stable position—but the progress made is immense and tangible. We have reduced our deficit, improved our operating model, strengthened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

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



Amanda Bunce

Chair of the Hft Board of Trustees



Steve Veevers

Chief Executive Officer

25/09/25

Strategic Report: Objectives, Activities and Public Benefit

Aims and objectives

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

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

Principal activities

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

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

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

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

Public benefit

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

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

Achievements and Performance

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

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

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

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

Quality and Governance

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

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

Financial sustainability

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

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

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

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

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

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

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

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

Our Colleagues

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

Recruitment

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

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

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

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

Retention and Colleague Experience

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

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

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

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

Our Volunteers

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

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

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

Future Plans

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

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

Structure, Governance and Management

Report of the Board of Trustees

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

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

Constitution and status

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

Organisational structure and governance Board

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

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

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

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

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

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

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

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

Board Committees

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

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

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

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.
People, Remuneration and Nominations Committee 'P,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. To approve the Chief Executive Officer's contractual terms and job descriptions including any bonus arrangements and to decide on any changes to the remuneration and eligibility for bonuses. Review workforce remuneration and related policies. 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.
Operational Delivery Committee (OD)	At least 3 times a year	<ul style="list-style-type: none"> Oversee the development of and the delivery of the Quality Strategy Hold strategic oversight for all aspects of safeguarding across the organisation. Receive oversight and assurance of statutory and mandatory requirements relating to quality of care and support. Ensure that there are effective structures and processes in place to maintain compliance with the Charity Committee, Care Quality Commission, Care Inspectorate Wales, and Care Inspectorate Scotland regulations, where relevant.

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

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

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

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

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

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

Operational structure

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

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

Related parties and subsidiaries

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

Equality and Diversity Policy

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

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

There are policies in place to:

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

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

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

Modern Slavery Statement

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

www.hft.org.uk/ModernSlaveryActStatement.

Fundraising Activity and Standards

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

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

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

Our fundraising work includes:

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

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

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

Additional compliance steps taken in 2024/25 included:

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

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

Legacy and In-Memory Giving

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

Community Fundraising

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

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

Challenge Events

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

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

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

Corporate Partnerships

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

Major Donors

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

Trusts and Foundations

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

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

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

Thank You

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

Investments

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

Environmental Policy and Actions

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

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

Waste and Recycling

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

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

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

Carbon policy and energy and greenhouse gas report

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

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

Global GHG Emissions & Energy Use Data			
	1st April 2024 - 31st March 2025	1st April 2023 - 31st March 2024	Change
Scope 1	1,099.70 tonnes CO ₂ e	928.64 tonnes CO ₂ e	18.42%
Scope 2	547.66 tonnes CO ₂ e	556.84 tonnes CO ₂ e	-1.65%
Scope 3	198.65 tonnes CO ₂ e	179.82 tonnes CO ₂ e	10.48%
TOTAL	1,846.01 tonnes CO₂e	1,665.30 tonnes CO₂e	10.85%

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

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

Reported emissions and energy use data for 1 st April 2024 – 31 st March 2025		
	Current reporting year 1 st April 2024 – 31 st March 2025	Comparison year 1 st April 2023 – 31 st March 2024
Emissions from combustion of gas to CO ₂ e (Scope 1) [mandatory]	924.28 tonnes CO₂e 0.82 tonnes CO ₂ e office usage 923.46 tonnes CO ₂ e landlord supply	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) [mandatory]	175.42 tonnes CO₂e	20.54 tonnes CO₂e¹
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) [mandatory]	150.24 tonnes CO₂e	131.64 tonnes CO₂e²
Emissions from purchased electricity (Scope 2, location-based) [mandatory]	547.66 tonnes CO₂e 25.78 tonnes CO ₂ e office usage 521.88 tonnes CO ₂ e communal areas	556.84 tonnes CO₂e 26.96 tonnes CO ₂ e office usage 529.54 tonnes CO ₂ e communal areas 0.34 tonnes CO ₂ e plug-in hybrid charging
	<i>See below for transmission and distribution losses</i>	<i>See below for transmission and distribution losses</i>
Total gross CO ₂ e based on above [mandatory]	1,797.61 tonnes CO₂e	1,617.12 tonnes CO₂e
Energy consumption used to calculate above emissions: kWh [mandatory] – optional to provide separate figures for gas, electricity, transport fuel and other energy sources	Gas: 5,053,453 kWh Electricity: 2,645,075 kWh Transport fuel: 705,039 kWh Business travel: 623,178 kWh Total: 9,026,745 kWh	Gas: 4,964,216 kWh Electricity: 2,691,130 kWh Transport fuel: 83,367 kWh ³ Business travel: 623,768 kWh Total: 8,362,481 kWh
Intensity ratio: to CO ₂ e gross figure based on mandatory fields above e.g. £100,000 revenue [mandatory]	2.08 tonnes CO ₂ e per £100,000 revenue	1.83 tonnes CO ₂ e per £100,000 revenue

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

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

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

Methodology [mandatory]	SHIFT methodology <u>SECR Reporting SHIFT Environment</u> Using Defra 2024 Conversion Factors in line with Environmental Reporting Guidelines (2019) as the majority of the financial year falls into the calendar year 2024. Comparison data from the previous year's SECR used Defra 2023 Conversion Factors.
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Internal Controls Statement

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

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

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

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

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

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

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

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

Principal Risks to Hft	Controls in place to mitigate these risks
Failure to provide safe, high quality care and support for the people we support in line with our obligations regarding Duty of Care.	<ul style="list-style-type: none"> • 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. • Regular reporting financial KPI's against turnaround metrics. • Regular cash-flow forecasting.

	<ul style="list-style-type: none"> • 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 £40k (2024: £40k).

Consideration of the directors' Responsibilities

Section 172 Statement:

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

The likely consequence of any decision in the long term

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

The interest of the company's employees

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

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

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

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

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

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

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

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

The need to act fairly as between members of the company

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

Financial Review

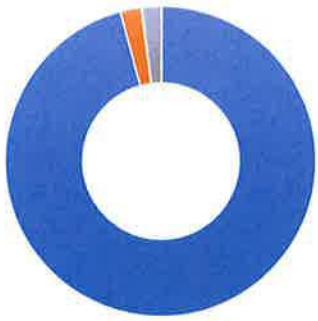
Income

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

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

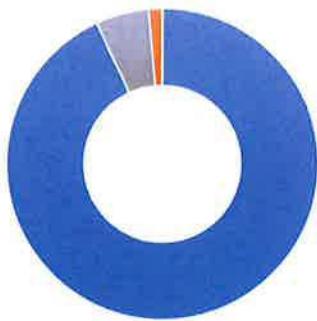
The sale of our Walberton property during the year and the receipt of an overage payment related to a prior year sale generated a gain on disposal of £1.7m (2024: £4.9m). Our gains on disposals have been driven by the sale during the year of our property at Walberton together with receipt of an overage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

2025 Income Total £85.0m



- Charitable activities (£81.3m) 95.7%
- Donations and legacies (£1.9m) 2.2%
- Other (£1.8m) 2.0%

2024 Income Total £89.4m



- Charitable activities (£83.1m) 93.0%
- Donations and Legacies (£1.3m) 1.5%
- Other (£5.0m) 5.5%

Expenditure

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

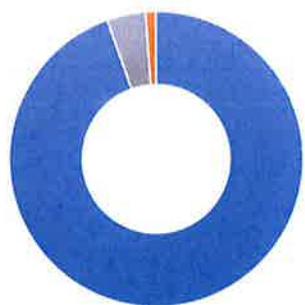
Care and Support services costs decreased by £4.6m (5% reduction from 2023/24) in the year for which the key drivers were the decrease in the agency hours required decreasing the agency cost burden by £5.8m excluding the service exits and decreased staff costs from service exits of £4.0m. These decreases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

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

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

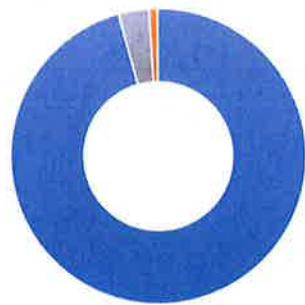
Interest payments increased in the year from £0.1m to £0.8m reflecting the increased interest costs on the £5m bridging loan taken out in March 2024.

2025 Expenditure Total £89.2m



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

2024 Expenditure Total £98.5m



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

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

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

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

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

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

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

Trading activity

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

Balance Sheet

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

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

Reserves

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

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

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

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

Investment powers, policy and objectives

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

Going Concern

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

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

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

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

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

Statement of Trustees' responsibilities

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

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

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

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

In so far as the Trustees are aware:

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

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

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



Amanda Bunce

Chair

Date 25/09/15

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

Opinion

We have audited the financial statements of HF Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Group and Charitable Company Balance Sheets, the Group and Charitable Company Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 33, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

RSM UK Audit LLP

NICHOLAS SLADDEN (Senior Statutory Auditor)

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

Chartered Accountants

25 Farringdon Street,

London,

EC4A 4AB

Date 26/09/25

Consolidated Statement of Financial Activities

for the year ended 31 March 2025

(including Consolidated Income and Expenditure Account)

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

Balance Sheets

As at 31 March 2025

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

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

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

Amanda Bunce

Chair



Date 25/09/25

Cashflow Statement

for the year ended 31 March 2025

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

Notes to the Financial Statements

1. PRINCIPAL ACCOUNTING POLICIES

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

Basis of preparation

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

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

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

Going Concern

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

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

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

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

Basis of consolidation

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

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

Income

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

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

Income from charitable activities

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

Other income

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

Grant income

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

Expenditure

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

Expenditure on raising funds

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

Expenditure on charitable activities

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

Apportionment of support costs

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

General reserve

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

Designated funds

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

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

Restricted funds

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

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

Intangible fixed assets

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

Tangible fixed assets

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

Impairment of Intangible Fixed Assets

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

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

Impairment of Tangible Fixed Assets

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

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

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

Depreciation

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

	2025	2024
Assets due for disposal	Nil	Nil
Freehold land	Nil	Nil
Freehold buildings and additions	0-5% pa on cost	0-5% pa on cost
Cyclical refurbishment of buildings	15% pa on cost	15% pa on cost
Equipment	8 - 15% pa on cost	8 - 15% pa on cost
Computers	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.

Taxation

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

Investments

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

Pension scheme arrangements

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

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

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

Depreciation and the remaining useful life of fixed assets

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

Provision for dilapidation

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

Impairment review

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

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

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

Receivable due in relation to Ironbridge development

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

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

2. PRIOR YEAR CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

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

3. INCOME AND ENDOWMENTS

a) Donations and legacies

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

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

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

b) Income from Charitable Activities

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

Special projects work ceased in the year 2023/24.

4. HFT TRADING LIMITED

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

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

5. HFT PROPERTY LIMITED

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

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

6. LUV2MEETU COMMUNITY INTEREST COMPANY

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

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

7. OTHER INCOME

Other income comprises:

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

8. EXPENDITURE

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

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

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

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

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

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

9. NET EXPENDITURE

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

10. EMPLOYEES

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

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

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

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

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

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

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

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

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

11. (a) INTANGIBLE FIXED ASSETS

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

11. (b) TANGIBLE FIXED ASSETS

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

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

12. FIXED ASSET INVESTMENTS

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

Investments are represented by:

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

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

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

13. DEBTORS

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

Due after one year

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Ironbridge consideration	2,250	2,383	2,250	2,383
	2,250	2,383	2,250	2,383

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

14. CASH AT BANK AND IN HAND

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cash and bank balances	123	643	13	548
	123	643	13	548

15. CREDITORS

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

Deferred income reconciliation

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

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

16. PROVISIONS FOR LIABILITIES

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

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

17. INTEREST FREE LOANS

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

18. MORTGAGE

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

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

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 by 18th March 2027.

19. STATEMENT OF FUNDS

	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Unrestricted Funds £'000	Total Funds £'000
Company					
At 1 April 2024	16,226	(7,898)	40,384	32,486	48,712
Income	354	84,611	-	84,611	84,965
Expenditure	(641)	(86,605)	(1,993)	(88,598)	(89,239)
Transfer	17	(617)	600	(17)	-
Other recognised gains (/losses)	-	(5)	-	(5)	(5)
At 31 March 2025	15,956	(10,514)	38,991	28,477	44,433
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
Group					
At 1 April 2024	16,226	(7,878)	40,384	32,506	48,732
Income	354	84,611	-	84,611	84,965
Expenditure	(641)	(86,607)	(1,993)	(88,600)	(89,241)
Transfer	17	(617)	600	(17)	-
Other recognised gains (/losses)	-	(5)	-	(5)	(5)
At 31 March 2025	15,956	(10,496)	38,991	28,495	44,451
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	-	778	-
Other recognised gains (/losses)	-	(78)	-	(78)	(78)
At 31 March 2024	16,226	(7,878)	40,384	32,506	48,732

Restricted funds

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

Unrestricted funds

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

20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

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

Prior year Representation of fund balances	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Funds 2025 £'000	Total Funds 2024 £'000
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	(5,133)	-	548	1,842
Other current assets	-	8,852	-	8,852	6,025
Current liabilities	-	(9,578)	-	(9,578)	(10,443)
Long-term liabilities	-	(2,617)	(250)	(2,867)	(250)
Provision for liabilities and charges	-	(280)	-	(280)	(107)
Net assets	16,226	(7,898)	40,384	48,712	57,881

21. DESIGNATED FUNDS – GROUP

Designated funds comprise the following individual funds:

Representation of designated funds	At 1 April 2024 £'000	Movement on Fixed assets £'000	Fixed asset transfers £'000	Fund transfers £'000	At 31 March 2025 £'000
Designated fixed asset fund	40,384	(1,993)	600	-	38,991
Prior year representation of designated funds	At 1 April 2023 £'000	Expenditure £'000	Fixed asset transfers £'000	Fund transfers £'000	At 31 March 2024 £'000
Designated fixed asset fund	41,760	(1,376)	-	-	40,384

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

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

22. RESTRICTED FUNDS – GROUP AND COMPANY

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

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

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

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

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

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

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

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

Other grants & donations: This includes individual smaller donations.

23. PENSION COMMITMENTS

(a) Self-Invested Personal Pension

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

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

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

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

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

(b) Care Fund Group Personal Pension Plan

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

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

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

(f) The Peoples Pension Scheme

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

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

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

(g) Other pension schemes

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

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

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

24. FINANCIAL COMMITMENTS

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

25. CAPITAL COMMITMENTS

There are no capital commitments to report.

26. CONTINGENT LIABILITIES

There are no contingent liabilities to report.

27. POST BALANCE SHEET EVENTS

There are no post balance sheet events to note.

28. RELATED PARTY TRANSACTIONS

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

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

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

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

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

	Sales £'000	Purchases £'000	Debtor £'000	Creditor £'000
Hft Property Limited	-	-	-	-
Hft Trading Limited	-	-	25	-
Luv2meetU	44	-	-	-
Total	44	-	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 2025 is £1k (2024: £1k).

30. FINANCIAL INSTRUMENTS

The company's financial instruments are as follows:

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

Equity Instruments

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

31. RESTRICTED FUNDS Prior year – GROUP AND COMPANY

	At 1 April 2023	Income	Transfer	Expenditure	At 31 March 2024
	£'000	£'000	£'000	£'000	£'000
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)	1,316
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)	859
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