



HF Trust Limited

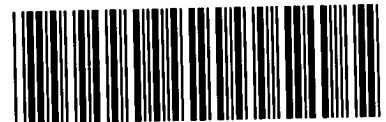
Annual Review and Annual Report

Building on the fundamentals

for the year ended 31 March 2020



THURSDAY



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07/01/2021

#133

COMPANIES HOUSE



Overview

We are a national charity founded in 1982 by a group of families who had a vision for creating a better life for their relatives who had learning disabilities. We pioneered the idea that everyone could have choices about how they live.

Today, we are trusted to support more than 2,500 people across England and Wales, from living independently in their own home, to day opportunities, from a few hours a week, right up to 24 hours a day.

We are funded in two ways, predominantly through local authorities, who fund vital support services, but also through donors, supporters and volunteers who enable us to find new ways to help more people to thrive rather than just get by.

For some of the people we support, we provide round the clock care, while for others we help with specific challenges such as building a social life or developing skills for independent living. For every person we support, we are committed to working in partnership with them to realise their best life possible.

Building on the fundamentals

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Building on the fundamentals

Report from the Chair of Trustees



This is my first year as Hft's Chair of Trustees and what a year it's been! It's difficult now to cast our minds back to what life was like pre-pandemic but I hope this report shows that, despite the challenges, we've collectively made great progress towards 'Building on the Fundamentals'.

The key driver for our Board of Trustees and Executive Team over the last year has been to address the critical issues impacting on the charity – all of which link to our funding model and ongoing budget constraints.

Considerable work has been invested in negotiating with Local Authorities across our regions to properly fund the cost of care. It is, after all, their statutory responsibility to pay us for the services we provide.

These negotiations have been progressing well in some areas where Local Authorities have agreed to pay us fully for the cost of care. In these areas we're keen to work in partnership with funders to explore opportunities to invest in the development of new properties and services that are both financially sustainable, and deliver the best outcomes for people.

In other areas, where negotiations have been less successful, and our costs are not being met the trustees are clear – as a charity we cannot afford to subsidise Local Authorities who are responsible for providing care. We cannot provide care *at any cost*, it must be care at the *right cost*.

This means that we have to be prepared to make some difficult decisions. Where fees do not meet the cost of care we've been forced to serve notice on services. For the first time in our history this is without the promise of a re-provision or move-on to another Hft service.

For all of us at Hft, who are truly committed to supporting people to live the best life possible, this feels culturally at odds with our charitable purpose. This year we regretfully announced the closure of our residential service at Milton Heights in Oxfordshire, where we had supported people for many years. The significant underfunding of this service, the ageing buildings and lack of future referrals to this campus site left the service financially unviable. Naturally, such decisions are incredibly difficult for all involved; the people we support, their loved ones and our staff teams at the service. In these situations we will continue to do all we can to work in partnership with the Local Authority to support people as they move into new homes.

Despite these difficult decisions our fundamental values remain unchanged and our role as trustees and stewards of the charity is to ensure that we provide good quality care, in an environment that enables people to live as independently as possible, in their own home, within their local community.

Involvement

Over the last year, great work has taken place to find new ways to involve the people we support in developing our services; through quality checking, inducting our staff teams and vitally in having their voice heard, both at board level and in our campaigning.

Our Partnership Forum has continued to feed back the views of staff to the Executive Team and Board of Trustees, and supported colleagues to participate in regional pay reviews. Overall this was a positive process and constructive

discussions took place which resulted in some positive pay outcomes and a greater overall understanding of our financial constraints.

Investing in our people

We know our staff teams are the bedrock of our care and we've focused efforts on supporting the critical role our Registered Cluster Managers play on the journey to running outstanding services, and in strengthening their links with our central support teams.

We've continued to improve and streamline our recruitment processes and have shared the value of working in social care with job seekers. A new internal benefits platform has been offered to staff and we've invested in an ongoing leadership skills programme to increase our commercial awareness, performance, and change management skills.

Driving through quality

In parallel with the need to achieve financial sustainability we are equally committed to achieving high standards of care across our services. Over the last year 89% of our services were rated as either Good or Outstanding by CQC. This is a true testament to the hard work and determination of our operational teams and those supporting them in central services.

Covid-19

The end of this reporting period marked the beginning of pandemic and we were all forced to adapt to the changing world around us. It was, and is, a deeply concerning and unsettling time for everyone but I was truly impressed at the commitment across the organisation to pull together, find a new norm, and keep the people we support, and our frontline staff safe.

Sadly, we were not untouched by Covid-19 and we fondly remember those in our services who lost their fight against the disease. Our sympathy goes out to their families and the staff teams who supported them. We will continue to monitor

closely the health and wellbeing of the people we support and ensure our teams have the tools they need to stay safe as the pandemic continues.

Looking to the future

Hft is a strong, values-led organisation, and to fulfil our mission we must continue to transform our services and how we operate as a charity. This is crucial so that we can meet the changing needs of the people we support, and also support more people with learning disabilities in the long-term. We recognise that to be financially sustainable we must strengthen our commercial skills, while maintaining our reputation for high quality care, fantastic staff training, and for providing a voice of reason on the critical issues facing social care.

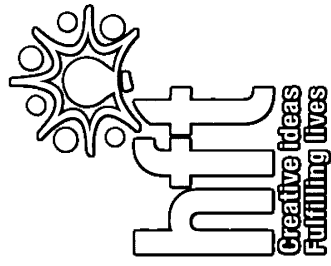
We must now use our passion, expertise and experience to help us transform. We are entering an exciting period in Hft's leadership as we welcome a new Director of Operations to the charity, and in upcoming months a new CEO. The ongoing pandemic will also require us to continue to be agile, responsive, and adaptable to the changes around us.

Thank you to everyone at Hft for your sheer hard work and dedication this year, and to our volunteers, patrons and donors for your ongoing support. I have every confidence that by working together we will continue to overcome these challenges and continue to provide the best life possible for the people we support



Amanda Bunce

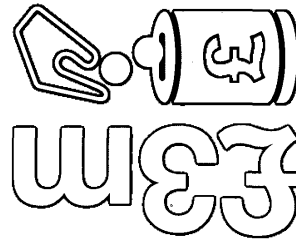
Chair of Trustees



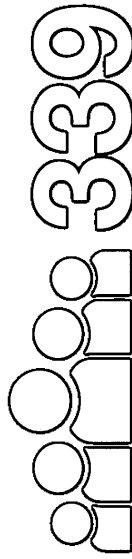
2019-2020
A year in numbers

OVER 2500
people supported

(as at 20/07/20)



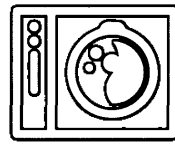
RAISED
by Hft
supporters
to fund our
charitable
services



339
PEOPLE SUPPORTED
by our Luv2meetU service



323
items of NEW
Personalised Technology
installed in people's homes



791

Luv2meetU
events held

3 NEW
PEOPLE
WE SUPPORT
TRAINED AS
LEARNING
CHAMPIONS

6 NEW
PEOPLE
WE SUPPORT
TRAINED AS
QUALITY
CHECKERS



people supported by our



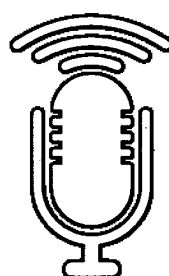
FAMILY CARER



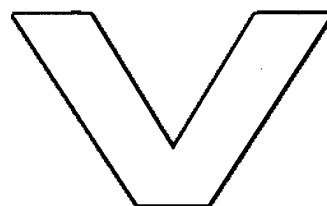
SUPPORT SERVICE

Over 100

people we support
involved in our national
Voices to be Heard Advisory Group

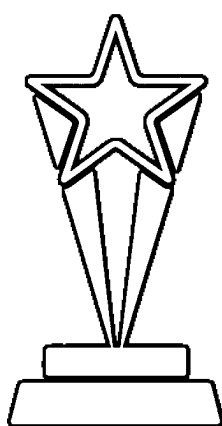


**MORE
THAN**



3200

staff working
across our
services



89% of our
services rated as
either **GOOD** or
OUTSTANDING

by the CQC (as at 16/03/20)

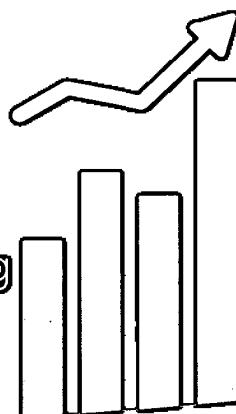
Total Income

£86,211,000:

£83,406,000 Services

£2,992,000 Fundraising

£-187,000 Other



Total Expenditure

£88,606,000:

£85,795,000 Services

£1,274,000 Fundraising

£1,537,000 Other

Building on the fundamentals of quality and improvement:



The people we support are at the heart of everything we do at Hft. We know it is vital that we ensure we provide quality services, and that the people being supported agree they receive a quality service.

The strategy for the Quality & Compliance Team over the past 12 months has been to ensure all our services receive a 'Good' CQC rating as a minimum. Our focus has therefore been on aligning our internal processes in readiness for CQC inspections so we can showcase to CQC and other stakeholders how the support received is enhancing the lives of the people we support.

Getting the basics of support right is a fundamental requirement in achieving excellent services, and this starts with Person Centred Active Support (PCAS). PCAS is a great way of measuring how the people are supported by seeing how the people supported are engaged fully within their service. PCAS is simply 'what we do' and the quality team have been working hard over the last 12 months to ensure we keep it that way.

Polly Browning, Director of Quality and Compliance, said:



My role is to ensure we embed quality into everything we do.

The newly formed quality team, which comprises of the Positive Behaviour Support team, Involvement and the Quality & Improvement team, work closely with people we support and their staff to ensure the quality of the support we provide remains the centre of everything we do.

Building on the fundamentals with involvement: 'Best Life Checkers'

We have a clear view on what quality service provision looks like but it is critical that we also involve the unique perspective of the people we support as they all have first-hand experience of our services and what is important to them.

So throughout the year we have been working with some of the people we support to become more directly involved in our quality monitoring and improvement processes by enabling people to become 'Best Life Checkers'.

Our Best Life Checkers are people with learning disabilities who have direct experience of being supported by Hft, who will help us check and

monitor the quality of our services. This involves talking to people who have support and their support workers and visiting services, as well as formal observations and ensuring alternative communication methods are used, where appropriate, to gain the views of people who may be non-verbal. They are supported by a member of staff to ensure the review process is safe and fair. Their insights and learnings are fed back into our national review process so we can ensure we are always providing the best possible service for the people we support.

Over the last year six Best Life Checkers have been trained in the role, as well as in safeguarding and confidentiality.

People we support appointed to government disability network

We are always keen to explore and identify new ways that we can help the people in our services to have their voices heard. Over the past year, to enable individuals to have a greater voice in their community we supported people to understand their voting rights. We provided accessible information about the general election, facilitated more people to meet with their local MP and connected our Voices to be Heard speak out forums to a new government stakeholder network.


This involved three members of our Voices to be Heard network applying for roles as members of the government's Disability Unit Regional Stakeholder Network – advocating for disabled people on key issues.



Becky, John and Henry (l-r)

In December 2019 Henry, Becky and John were accepted onto this new scheme that enables people to advise government on inclusive policy development. They each sit on regional stakeholder networks run by the Disability Unit (formerly the Office for Disability Issues), which provides a platform for people with disabilities to share their views and experiences in order to inform the development of policies and services affecting them. As well as influencing government, members of the network work closely with other local people with disabilities and disability organisations to report back on the issues facing them such as housing, transport and benefits.

John said:

 **I have never let my disability stop me from doing all the things I want to do but there is so much more other people with learning disabilities can do. They need enough money, the right staff and access to their community. I want to speak up for them because I understand the challenges they can face.**

Learning & Development Champions

This year we recruited three new Learning Champions. Mark, David and Mark joined our Organisational Development Team to co-deliver induction training for new staff and get involved in other learning and development projects. Their first hand experiences of receiving support are a vital source of learning for all staff at Hft and help keep the people we support at the centre from the first day someone starts with us.

This year the Learning Champions have been involved in producing and presenting e-learning, podcasts, and delivering face-to-face induction training, as well as producing videos for eight different training courses, covering topics including community involvement, keeping safe and supporting decision making.


Building on the fundamentals as a sector influencer:

Sector Pulse Check 2019 - "A sector out of options"

Over the last three years we have commissioned our own independent research to monitor the financial health of the sector and identify the critical issues facing providers.

February 2020 saw the publication of our third annual Sector Pulse Check, carried out by economics and business consultancy Cebr. Based on a survey of social care providers, the pulse check provides an annual snapshot of the financial health of the social care sector over the past year and an indication of how providers anticipate the next twelve months will progress.

Josie Dent, Senior Economist at Cebr, said:

 **Pressure on social care providers to cut costs while also paying for increasing wage bills and agency worker fees has ultimately culminated in organisations taking drastic measures.**


This year's report highlights "a sector out of options", with the number of social care providers who said they had been forced to cut support for vulnerable adults doubling over the last 12 months as a direct result of financial pressures.


One in five organisations reported they were offering care to fewer individuals to try and balance the books (a rise of 12 percent from 2018), with 95% citing rising wage bills as the main drain on resources.

A third of providers have had to shed staff in the past year, while almost half (45%) have closed down some parts of the organisation and/or handed back contracts. 52% expected to have to do so in the future.


In the previous year's report, 11% of providers warned further cuts in funding could lead to a reduction in the quality of care. This year, 43% of providers said that they had witnessed a negative effect on the quality of care they were able to provide, citing an increase in complaints, worsening CQC ratings and a decrease in morale as the most severe indicators of a decline in standards.

Our 2019 Sector Pulse Check made sobering reading but secured widespread national media coverage, raising awareness of these critical issues with the general public.

 **1 in 5**
providers say they have been forced to cut support in the last year as a direct result of financial pressures.
95% cite rising wage bills as the main drain on their resources.

 **33%**
of providers reported having to shed staff in the past year, while almost half of providers (45%) reported having to close down some parts of the organisation and/or hand back contracts to deal with cost pressures.

45%
of respondents have closed down some parts of their organisation or handed back services to local authorities to deal with cost pressures.
52% expect to have to do so in the future.



Harnessing the benefits of PT

Hft's Personalised Technology team joined the Learning Disabilities and Autism: Improving Care conference in Manchester on 12 March to discuss the role of technology in improving the lives of people with learning disabilities.

Emma Nichols and Ben Williams shared insight from our 2019 Sector Pulse as part of a discussion on how providers are using technology, and what prevents them from using it more readily.

Emma Nichols, Hft's Personalised Technology Manager said:

While we were delighted to see from our Sector Pulse Check research that a large majority of providers recognise the benefits of technology, 81% of respondents said they were not yet using it to its full potential, with three quarters of providers citing a lack of funding as the cause.

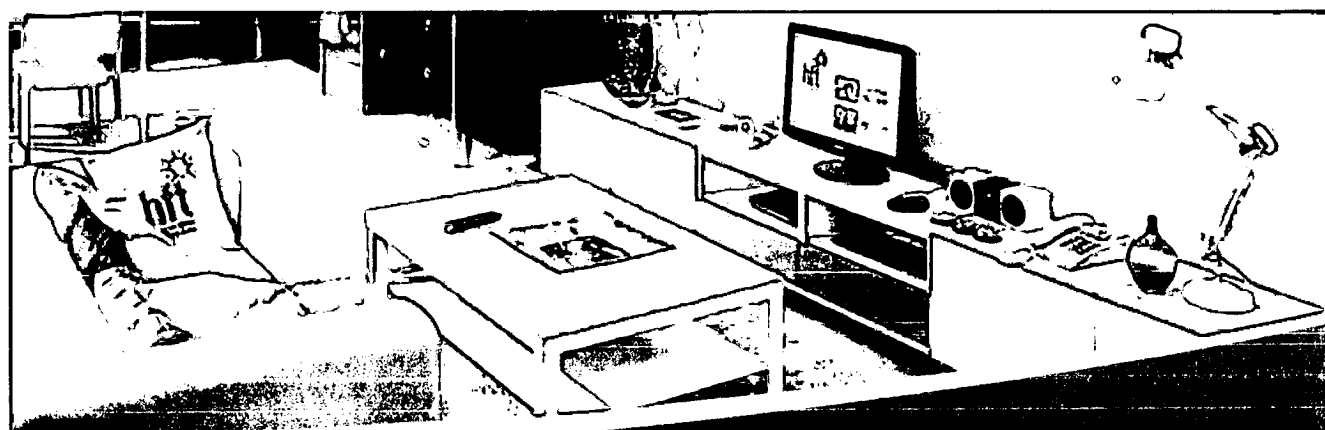
We believe that effective investment could unlock the potential of assistive technology, which we know from experience can transform the way support is delivered. We've seen first-hand how simple solutions such as flood sensors which can alert staff members to a potential risk, or medicine dispensers which can remind someone to take their medication, can ultimately help people gain their independence and live with more safety, privacy, choice and control.

Smarthouse takes to the road

The Hft Smarthouse is a pop-up, purpose-built, portable house showcasing a range of assistive technology that can be used to support vulnerable adults. It features innovative, interactive technology including a talking microwave, safety sensors to prevent flooding or injury, and fingerprint activated door locks which replace the need for keys.

This year the Smarthouse was used by both Bristol City Council and Devon County Council at events for professionals and service users to demonstrate the types of personalised technology available to help people live more independently and safely in their own home.

Hft's specialist Personalised Technology team – which offers training, assessment, installation, advice and consultancy services – ran a series of sessions at the events for those wanting to try out the technology first-hand, learn more about how it works, and ask any questions.



Building on the fundamentals of sharing best practice internally:

Supporting Registered Cluster Managers on their journey to 'Outstanding'

Our first dedicated conference for Registered Cluster Managers (RCMs) took place over two days in July, at the University of Warwick. It aimed to give RCMs an opportunity to meet with colleagues and explore how we can work effectively together to support them to excel in this essential role.

Our RCMs were brought together because they play a pivotal role in keeping our services running, but they don't always get the chance to meet with peers to share best practice and discuss shared issues.

One of the key speakers was Gemma, a person we support from our Warwickshire service. Gemma gave managers first hand insight into what makes great support and the difference this can make to someone's life. Her speech was supported by a video produced by people we support across Hft showing what outstanding support means to them.



Gemma said:

I did a presentation about how staff can support people really well. I talked about my own

support and what I thought was good about it. It was at Warwick University in a really big room to about 80 Cluster Managers and Directors. I enjoyed it - it was the first time I have done a presentation to so many people. It was amazing to have that opportunity.

The conference was a great success, with workshops on topics ranging from positive performance management, to resilience in a busy world. At the end of the event RCMs collated

next steps, actions and questions, which were fed into an action plan to ensure that we all work together to achieve our shared goal of creating sustainable, high-quality services for the people we support.

Vicky Kirkbright, Lead Senior Regional Manager who coordinated the event said:



This was a great opportunity to bring RCMs together – we really packed a lot in over the two days and the RCMs were fully engaged. We wanted to provide information to support them on their journey to outstanding and I think we achieved that. There were also lots of opportunities for networking so we hope that moving forward RCMs will be better able to offer support to one another and share good practice.



Engaging and rewarding our staff teams:

Fusion Awards

2019 saw Hft proudly hold its sixth Fusion Awards ceremony, celebrating the commitment and achievements of our fantastic staff teams, who have gone above and beyond to bring our Fusion Model of Support to life.

The annual awards give us the perfect opportunity to stop and recognise all the hard work that takes place across Hft, not only to keep 'business as usual' ticking over but to continue to develop our services.

We had 133 nominations for 2019 and the judging panel was extremely impressed by the quality and strength of all the nominations

received. It was truly encouraging to receive so many different and inspiring examples of work from across our services and support functions.

Nominations ranged from teams helping develop a 'day of your dreams' with those they support, to teaching someone to use a switch so they can control their own environment, to a volunteer buddy in Devon forming an incredibly strong bond with one of the people we support (see the next page for this lovely story).

Congratulations

to all of this year's winners and nominees!

Involving apprentices:

Hft uses apprenticeships as a way of investing in and developing staff. Forming around 15% of our workforce, they play a key role in the work we do supporting adults with learning disabilities. From finance assistants to support workers, our apprentices gain on-the-job training to equip them with the relevant skills and knowledge needed to succeed in their fields. All the knowledge they gain enhances their team's performance, which is then positively reflected in the work we do when supporting people on a daily basis.

At the end of March 2020, we had **over 500** apprentices working with us!



Employer of the month!

November 2019 saw the Piccadilly Team in Bradford win Employer of the Month from our primary apprenticeship training provider, GP Strategies.

Whilst supporting the ongoing Health and Social Care NVQ training, Tracey, the NVQ assessor from GP Strategies, gave the team a framed certificate and cupcakes for going above and beyond, commenting that this achievement

**“ clearly demonstrated
how well the team
worked together, with
managers supporting their
students with workload
and questions.**

Building on the fundamentals with outstanding volunteers:

Hft awarded the 'People Can' kitemark in recognition of its volunteering programme

Volunteers' Week 2019 saw our Luv2meetU service awarded the People Can Kitemark in recognition of its volunteering programme.

Steve Blackman, CEO of Volunteering Bradford, said:



Luv2meetU, a friendship and dating service for adults with learning disabilities and autism which is run by Hft, was awarded the certificate by Bradford Volunteer Centre, which benchmarks the quality of volunteer management and involvement.

The Luv2meetU service, which also operates in other locations in England, holds events and outings that focus on increasing confidence, making friends and sometimes even finding love for its members, who are supported to attend events and dates by dedicated volunteers.

33 Having worked with Luv2meetU for a number of years I was delighted that they achieved the 'People Can' – Bradford Volunteering Kitemark which formally recognises their high quality volunteer programme and demonstrates their ongoing commitment to providing an exemplary service for both volunteers and clients.

Valuing our volunteers:

'Bodyguard to the stars' gives back to his community

Alexander Pennington is a Devon-based private security expert. The 39 year old from Newton Abbot is the managing director of a premium private protection and security business. After starting his career in the military and working around the world as a bodyguard to A-list celebrities, Alexander first looked into volunteering when he realised he had the time and life experience to give back to the community where he was raised. A friend with a son supported by Hft recommended the charity and Alexander was recently introduced to 53 year old Karl through its volunteer buddy scheme.

The scheme matches people supported by Hft with volunteers with similar interests, allowing them to access new activities, build relationships and spend time in their community. People specify activities of interest and Hft advertises

for a volunteer position to recruit someone with similar interests.

Alexander and Karl now spend an afternoon a week together, taking part in activities ranging from dog walks and map reading, to visits to a local fire station. Lorna Bird, Project Coordinator for Volunteering at Hft, said:

33 Volunteers are the lifeblood of initiatives like our buddy scheme, which unites people with similar interests and couldn't run without people like Alexander. We're delighted that our volunteers choose to give up their valuable time to Hft and are always looking for more people to join us in supporting people with learning disabilities to live the best life possible.


Building on the fundamentals by widening access to our services:

Hwb Cyfle and Welsh website launched

On 30 November 2019 'Hwb Cyfle' (Welsh for 'Hub of Opportunities') was officially opened at our Flintshire service in Queensferry. Officers and members of Flintshire Council, along with representatives from their partner organisations and local politicians, were present to mark the special occasion.

The new centre provides a single-storey adult day care centre specialising in community daytime facilities and social care services for vulnerable adults with varying degrees of learning disability.

Hft's divisional director, Andrew Horner, said:

 **The new building demonstrates Flintshire County Council's commitment to supporting us in the delivery of positive outcomes for the people we support, it will really help us to further enhance services moving forward as we continue to support people locally to take control of their lives and live with more independence and choice.**

As we develop more services in Wales it is vital that information on our service provision is also available in Welsh. To support this, a new section of the website was launched in Welsh in October 2019 to cover our Welsh services.



Supporting employment opportunities

Everyone should have the opportunity to work, earn their own money and access the benefits of paid employment. Since 2013, and in partnership with DFN Project SEARCH, Hft has been delivering an innovative supported internship programme for young people with learning disabilities.

Project SEARCH offers interns the opportunity to undertake three placements within a host business and receive training from an education partner, to help them develop relevant skills and experiences and achieve the ultimate aim

of gaining paid employment. Hft's role in the process is to provide individual support to interns during their placements, initially to learn the role and expectations of the employer, and later to develop new skills, including searching and applying for employment opportunities.

Hft now supports seven programmes based within a range of businesses, and has supported 71 people to find paid employment. With ongoing support from our Follow-on Employability Coaches, 78% of these have stayed in employment.

Building on the fundamentals with our fundraising

Transforming the lives of people with learning disabilities and autism with fundraising

2019-20 was one of our most successful years of fundraising to date. Together, we raised an incredible £2,991,568.

Thank you to all our amazing supporters, friends, volunteers and staff for helping to transform the lives of people with learning disabilities and autism, and their families.

With generous support we are able to create solutions to tackle the issues faced by people with learning disabilities and autism - such as feeling socially isolated, needing care to manage health conditions, and help in finding employment, as well as provide support for their family carers.

Caring for over 2,500 people and employing over 3,200 staff as a charity within a social care system which is both underfunded and under-resourced is hugely challenging. Not to mention the added uncertainty the Covid-19 pandemic poses on all of us and the people we support.

We fundraise tirelessly to ensure people with learning disabilities and autism are safe and protected, whilst empowering them to live the best life possible.



Thank you to everyone who supported us in 2019-20 and continues to do so. We truly couldn't have done it without you.

Challenging social isolation

Luv2meetU supports people with learning disabilities and autism to develop and sustain relationships, improve health and wellbeing, and extend their social networks. It's a great way to meet people and have fun and our members tell us how much they value it. Funding from incredible supporters has ensured the service can go from strength-to-strength.

- The National Lottery Community Fund helped launch Luv2meetU in Bristol, aiming to reach 80 to 100 individuals in Bristol and the surrounding areas.



- In Flintshire, the Welsh Assembly's Foundational Economy Challenge Fund provided funds to launch the first ever Luv2meetU in Wales, which will run from 2020 to 2021.
- The Forbes Charitable Foundation has supported Hft for many years, most recently enabling us to set-up and deliver a Luv2meetU service in Newcastle - donating more than £80,000 over three years. In 2019, the generous support of the Forbes Charitable Foundation helped 55 people with learning disabilities in the local area.



We received a staggering £1,847,279 in legacy donations.



Together, 1,802 regular supporters raised an incredible £238,584

Without this funding, people with learning disabilities and autism would continue to feel isolated. There is more to be done as we face this crisis, but we look forward to seeing how we can reach even more people.

Empowering people with learning disabilities and autism through fundraising

In November 2019 Mark, a person we support in Walberton, helped raise £13,500 by successfully completing a six-day trek of the Sahara Desert.

Mark, who has been supported by Hft for 24 years, set off on 6 November alongside a team of six others from the charity, including fundraising and operations staff. The epic adventure saw the group battling the elements – from sandstorms and intense heat during the day, to freezing nights sleeping in tents. And even out under the stars among the sand dunes.



33 This year we walked the Sahara for Hft. We did it to raise money for our services. And we did it because for someone like myself with a hidden learning disability that's a big challenge; but we want to prove that we can do it.

Mark is the first person with a learning disability who has trekked across the Sahara Desert that we know of!

Money raised will help several projects across the country, including transforming a greenhouse in a community allotment where Mark lives, allowing people to continue enjoying the therapeutic benefits of gardening and home-grown fruit and vegetables all year round.

Family Carer Support Service secured for another two years thanks to legacy donation

As parents of someone with a learning disability, Jean and Norman truly understood how challenging it can be to navigate services and local authorities as a family. So supporting the Family Carer Support Service (FCSS) through their will was incredibly fitting.

Jean and Norman were happy with Peter's care at Hft before he passed away. But for the 645 families who have been supported by the service in 2019/20, being family carers can be an incredibly isolating and lonely experience.

The Family Carer Support Service is a continuing project completely supported by fundraised income – but secured for the next two years thanks to Jean, Norman and Peter's gift.

Whatever the size, a gift in your will can change the lives of the people we support and their families for many years to come.

HRH launches fundraising drive for specialist autism service

Her Royal Highness The Princess Royal joined us in November 2019 at Sworders Fine Art Auctioneers in Stansted Mountfitchet. She helped mark the start of a campaign to raise awareness and funds for a new service in Essex, which will provide a specialist environment specifically designed for, and with, young adults with complex needs and autism.

The Princess Royal, who is a dedicated Hft Patron, helped raise awareness for the new service that is carefully designed to meet the sensory needs of people with autism - to keep them safe, and minimise their anxiety.



Reference and administrative details

Royal Patron

HRH The Princess Royal

Trustees

Amanda Bunce
(Chair)

Briony Horvath
(Vice Chair)

Mary Ann Champion

Hilary Schrader

Irfana Malik

Simon Jones

Brandon James

Paul Morgan

John Devapriam

Lucy Marianne Pallett

Executive Management

Chris Hughes
(Executive Director of Environments)

Becs Gratton
(Executive Director of Operations)

Louisa McCann
(Executive Director of Finance and Company Secretary)

Jacqui Roynon
(Executive Director of People and Communications)

Vanessa Edwards
(Director of Fundraising)

Principal Bankers

Lloyds Bank plc
Canons House
Canons Way
Bristol
BS1 5LL

Auditors

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Solicitors

TLT Solicitors
1 Redcliff Street
Bristol
BS1 6TP

Investment Managers

Investec
2 Gresham Street
London
EC2V 7QN

Registered Office

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

Reference Details

The company is registered charity number 313069. The company is registered in England and Wales as company number 734984.

Media



www.hft.org.uk



@Hftlearningdisabilities | www.facebook.com/Hftlearningdisabilities



@Hftonline | www.twitter.com/Hftonline



Hft | www.linkedin.com/company/hft



@Hftlearningdisabilities | www.instagram.com/hftlearningdisabilities



HftTV | www.youtube.com/user/HftTV

Report of the Council

The Council submits its Annual Report and the Financial Statements for the year ended 31 March 2020.

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' ('SORP'), and the Charities Act 2011.

Structure, Governance and Management

Constitution and status

HF Trust Limited ("Hft") is a company limited by guarantee (registration number 734984) registered in England and Wales and a registered charity regulated by the Charity Commission (registration number 313069). The company's governing document is the Memorandum and Articles of Association dated 19 October 2018. Hft is a membership organisation and the liability of each member is £1. Trustees of Hft are either elected or nominated from the membership and members of the Council of Trustees are the Directors of the Company.

Organisational structure and governance

Council

The Council is made up of the Trustees of Hft appointed from the membership.

There are two categories of Trustee:

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

b) Nominated: A minimum of four and a maximum of seven members. Appointed by the

Council for their expertise and can serve two terms in total. A Nominated Trustee must then take a break from office for a period of one year and may only be appointed for a third or further period of office with the agreement of the Chair and the unanimous consent of the Council.

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

The total number of Trustees cannot be less than eight or more than fourteen. The Council of Trustees meets at least four times a year, and also holds an Annual General Meeting for members. The Executive Management team members also attend the Council meetings, together with other members of the senior staff management team as appropriate.

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

The Trustee induction process ensures that each Trustee is provided with a thorough and comprehensive understanding of Hft, our history, our services and the world in which we operate. The induction programme is also designed so each new Trustee has a full understanding of their role, their legal and other responsibilities and is aware of the commitment required throughout their tenure. Trustee training is delivered through a combination of e-learning, formal training courses and face to face meetings. Trustees receive an annual appraisal with the Chair and undertake an agreed number of service visits with follow up reports.

Council Committees

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

Each Committee has its own terms of reference, and their reports and minutes are standing agenda items for the main Council meetings. Each Committee is chaired by a Trustee and includes appropriate members of the senior executive management. The Committees are as follows:

Operations Committee 'O'	At least 4 times a year	<ul style="list-style-type: none"> • Review current and proposed Government policy, standards and practice relevant to Hft • Monitors the overall quality of the services delivered by Hft • Review all aspects of Hft's resources, finances, properties, investments and people • Oversees Hft's marketing strategy in response to the changing demands of the marketplace • Oversees the current and proposed developments in Hft, ensuring Hft's on-going financial stability • Review all aspects of the Trust's fundraising strategy and operations
Nominations, Governance & Remuneration Committee 'N'	At least 3 times a year	<ul style="list-style-type: none"> • Ensures Hft has an up to date governance model, maximising the overall effectiveness of the Trust • Responsible for the recruitment, evaluation, induction and on-going training of Trustees, with a prime objective of ensuring an appropriate balance of skills and experience on the Council of Trustees • All new Trustees undergo a detailed induction programme and sign up to a Trustees' Code of Conduct. Trustees participate in the detailed work of the Council's committees in line with their skills and experience • Regularly assesses on-going Trustee training needs and ensures these are met accordingly • Reviews and determines the remuneration levels of the senior management of the Trust by regularly benchmarking remuneration levels with other similar organisations
Audit & Risk Committee 'A'	At least 3 times a year	<ul style="list-style-type: none"> • Responsible for reviewing Hft's Annual Report and Financial Statements prior to their approval by Council • Oversees Hft's relationship with the external auditors • Responsible for ensuring that Hft has adequate and appropriate systems of financial control • Oversees internal audit and risk management both financial and non-financial • Regularly reviews and updates Hft's risk register

Other committees and working parties are established from time to time, in order to address specific issues (for example pensions and investments). In addition the Voices to Be Heard Advisory Group (V2bH) meets three times a year.

The Trustees who have served on Council and its Committees during the financial year and at the date of this report are:

Name	Committees	Status	(Re) Appointed	Resigned
Baroness Judith Jolly	-	Nominated	29/01/2016	26/03/2020
Amanda Bunce (Chair)	N	Nominated	01/02/2018	
Ian Cooper	O, A, N	Nominated	23/07/2016	20/09/2019
Mary Ann Champion	O	Elected	18/10/2019	
Lucy Pallett	O	Nominated	25/06/2020	
Prof Anthony Holland CBE	O	Nominated	23/07/2016	20/06/2019
Simon Jones	O, A	Elected	20/10/2017	
Martin Taylor	N	Nominated	23/07/2016	01/04/2019
Werner White	O, A	Elected	20/10/2017	09/10/2019
Brandon James	O	Nominated	01/11/2018	
Rajiv Patel *	A	Nominated	09/01/2019	29/04/2019
Paul Morgan	O	Elected	19/10/2018	
Briony Horvath (Vice Chair)	A, N	Elected	19/10/2018	
John Devapriam	O	Nominated	20/06/2019	
Durdana Achakzai *	-	Nominated	01/04/2019	25/06/2019
Hilary Schrader	N	Nominated	19/09/2019	
Irfana Malik	A, O	Nominated	19/09/2019	

**Rajiv Patel and Durdana Achakzai resigned as Trustees for personal reasons related to the time commitment required from Trustees.*

Operational structure

Operational management of service delivery is focussed through four geographical divisions, split into twenty six regions made up of clusters of operating units which provide care services. Housing services are provided centrally along with all other support services. Fundraising operates as a separate division within the same corporate structure.

Related parties and subsidiaries

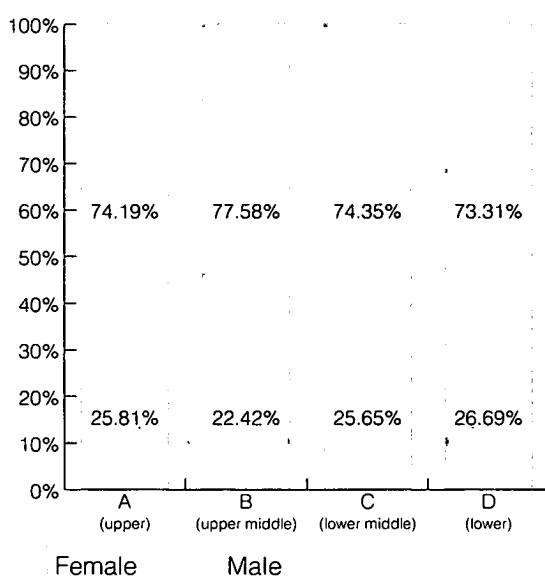
At the balance sheet date and throughout the year, Hft had two active wholly owned subsidiary companies, which are both incorporated in the United Kingdom. Hft Trading Limited undertakes non-primary purpose trading activities.

In addition, Hft is the parent company of Luv2meetU Community Interest Company, which is incorporated in the United Kingdom and undertakes the activities of the friendship agencies.

Gender Pay Reporting

Hft's gender pay gap report provides a snapshot of our data on 5 April 2020. At this time our total workforce consisted of 758 men and 2,346 women, meaning we employ around three times as many women as we do men – a circumstance that is not unusual in the social care sector. This balance has not changed in Hft in 2017, 2018 or 2019.

Pay quartiles by gender:



Hft's gender pay gap

While Hft's gender pay gap is far smaller than the national average, we remain committed to eliminating it altogether.

- The mean hourly rate shows that we pay 5.3% less to female workers
- The median hourly rate show that we pay 1.27% more to female workers

We are confident that any pay gap does not stem from paying men and women a different rate to perform the same or equivalent role. In addition, our pay gap is similar to peer organisations in the Health and Social Care sector.

Nevertheless we remain committed to being open and transparent in our pay approach and will continue to take steps to narrow any gaps going forward.

We are also in the process of upgrading our systems which will enhance our ability to identify any pay gaps which will help us to further address this issue.

Bonuses

- The mean bonus rate shows we have paid 38.51% more to male employees
- The median bonus rate shows we have paid 60% more to male employees

At Hft, as in the Social Care sector in general, we are not in the financial position to offer bonuses as a matter of course. We do reward staff when they pass relevant qualifications and also where they may have led on certain projects. Our bonus gaps therefore reflect the small number of staff who receive a bonus. We are confident that any gap does not stem from rewarding men and women differently.


Going forward

We continue to review, monitor and improve our pay systems to diminish the pay gap between men and women; and improve our organisation. Hft remains committed to equal opportunities, welcoming job applications from all sections of the community, and treating people equally and without discrimination.

At Hft everyone has the same opportunities to undertake job-related training, and bonuses have been paid to our support staff when they pass relevant qualifications. We also pay one-off bonuses for staff that have taken a developmental role and lead in certain areas, such as Health and Safety, or where staff have taken on extra responsibilities within their role.

Equality and Diversity Policy

Hft's policy states that;

 **We value people equally without discrimination with regard to gender, sexual orientation, age, race, beliefs, culture, chosen lifestyle or disability. This approach applies to the people we support, their families, Hft staff and others with whom we have contact.**

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

There are policies in place to:

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

Employee Consultation

Hft entered into a Partnership Agreement with all employees in 2013. The purpose of the Agreement is to provide a framework for the management and the employees to

participate in joint planning and decision-making processes, working as partners to jointly drive the organisation forward and solve problems. The parties in the Agreement have given a commitment to work together to promote a positive and effective relationship with the following principles:

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

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

Modern Slavery Statement

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

www.hft.org.uk/ModernSlaveryActStatement

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:

- Day to day care, support and personal development of adults with learning disabilities. Hft delivers care packages to more than 2,500 people with learning disabilities and supports 400 more people through charitable projects. Hft provides care and support in over 490 locations across the UK. Services are designed and delivered in accordance with each person's individual care plan, and include registered care, supported living care, day services, domiciliary care and other services.



- We deliver care through personalised care packages based on our Fusion Model of Support. At the centre of the model are the people we support and our commitment to a person centred active support approach. Everything we do is based on their view of what a 'best life possible' looks like; all the support we offer is aimed at helping them to live with more independence and choice. Surrounding the people we support in the model are eight segments that reflect everything we believe is necessary for providing excellent person-centred support. These segments also include some of the ethical and moral things that we want to do when providing services. Supporting these segments are three important themes: 'care about' runs through everything we do ensuring we provide 'quality' services that are 'continually improving'.
- Many of our operations are based in smaller community-based supported living services and individualised flexible services funded by personal budgets. We are constantly reviewing the position of our other sites to ensure we they continue to provide the best outcomes for the people we support, and proactively manage changing needs.
- We are also reviewing our service provision for those with more complex needs and challenging behaviour (alongside our traditional model of providing services for people with low to moderate needs) with an aim to sustainably provide more of these services in the future. We have developed transformational models of care to ensure that services for people who have challenging behaviour achieve evidenced outcomes and are financially sustainable.
- We actively engage the support and encourage the involvement of family members in developing and delivering services. The Family Carer Support Service (FCSS) is available for any carer to access (free of charge), and provides online and telephone help, support and signposting for carers, together with other resources, such as guides to new care legislation and guides to state benefit changes.

Public benefit

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

Hft is committed to using a combination of fundraised money and reserves in order to fund the vital charitable services and projects which

are provided, over and above the day to day delivery of care services on behalf of Local Authorities.

The 3 principal projects which fall under the "charitable projects" umbrella are the Family Carer Support Service (see above); the Personalised Technology Project and the Luv2meetU project (see note 6).



Achievements and Performance

Strategic plan and key drivers

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

Our strategic plan which runs from 2019 to 2024 is reviewed at appropriate intervals. It is underpinned by 12 key drivers which we believe remain robust to the current Learning Disability sector.

Get the basics right

We will 'get the basics right' for all our service delivery to deliver and evidence the Best Life Possible for all those we support.

We ended this year with 89% (82%) of our CQC services rated as good or outstanding.

Improvements in CQC ratings in the year are the result of additional Involvement activity, following the appointment of a dedicated resource, in the recruitment and appraisal of staff and increased community participation. Outstanding results were achieved in Gloucestershire as a final outcome of the move on from the campus site.

Financial sustainability

Our strategy is to ensure that all our services are financially sustainable. We will continue to invest in the processes, systems, culture and capability to ensure we are robust to a low fee and rising wage environment. We will also cease to provide services where there is no possibility that financial sustainability can be achieved.

For another year the operating contribution declined due to Local Authority fees continuing to be cut in real terms and in cash terms. Rising employment costs following further unfunded increases in the National Living Wage (NLW)

and increase pension contributions created more financial pressure. The increase in NLW to £8.72/hour was positive news for staff but, without similar increases in fees this was a further challenge to service sustainability. In many services this is the fifth year where mandated increases in costs have not been met with compensatory increases in fees. Similarly, Local Authorities have been unable to even offer increases to cover non employment inflation resulting in an inability to recruit staff at anything other than minimum wage. For more rural areas this recruitment issue became critical as did the cost of agency staff to ensure the people we support are safe. For a number of years we have offset this with cuts in central overheads and further efficiencies from the roll out of new systems. We also had to implement the fifth year of pay freeze in all non-service departments leading to issues in recruiting staff into the organisation.

The continuing downward pressure on fees, with increased costs lead us to hand back unsustainable services including the large campus site at Milton Heights in Oxfordshire. Culturally this is totally at odds with how Hft has previously operated and is extremely difficult for staff, families and people we have supported for much of their lives. As difficult as this is, when funding is insufficient to run a service to our care standards and to continue risks the sustainability of the whole organisation, we will continue to hand services back to the Local Authorities.

The financial result for the year confirms the challenges around sustainability in the current social care market and the work Hft needs to drive to ensure that we make the most of the resources available to us as well as working proactively with Local Authorities to design sustainable services which deliver the best outcomes.

Our service operations generated a £2m loss in the year, which was compounded with a loss on the disposal of assets of £0.5m and the losses on investment valuations due to the impact of Covid-19 on fund values at the end of the financial year.

Recruitment

Employment costs account for over 80% of our total cost base and direct employment costs ran at 74% (2019: 74.5%) of income in the year. Recruiting staff continues to be the most significant challenge we face for both the quality of care and financial sustainability. The impact of the Covid-19 virus at the end of the year has improved the ability to recruit into 2020/21, after continued challenges during the year. Our stated aim is to develop and retain the skills, processes, resources and systems to be able to recruit, train, motivate, deploy, reward and retain staff to exactly fulfil our contracted services in an optimal way.

To reduce the time to recruit and mitigate agency spend we have;

- invested in our rostering and time and attendance systems
- improved our application and on boarding process
- undertake bespoke localised pay reviews

Fee rate calculations from Local Authorities allow for National Living Wage (NLW) rates to be paid and we increasingly face an inability to keep differentials between grades of support worker which affected morale. Comparative low wage rates to other sectors and other providers cause high staff vacancy levels and agency usage.

We have recruited local Resource Coordinators to focus on recruitment in areas with particular issues and have seen positive results from this investment. Our staff turnover ratios are lower than sector averages which we attribute, in part, to the excellent training and support we provide to our employees; however, we still suffer the sector-wide pressure to use increasingly expensive agency staff.

Systems development

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

During the year we have maintained the momentum to re-evaluate our business

processes and systems and target further efficiencies in support and back office activities, whilst keeping focussed on achieving Good and Outstanding ratings with CQC in our front line services.

We continue to implement our prescribed operating model and invest in complementary systems designed to both improve productivity and provide the data and insight we need to enhance decision making and keep improving both care and business performance.

During the year we rolled out an improved rota management system across the organisation.

Complex needs services

Our aim is to deliver consistent and sustainable Complex needs services, although challenges with fee levels make this increasingly difficult. Additionally the recoverability of capital investment means that these services require long term fundraising increasing the lead time on their provision.

During the year we have developed a housing solution to provide supported living services for people with Autism and will be rolling out the provision in the coming year.

Growth opportunities

We will continue to focus on sustainable growth opportunities; organic and acquisitive, exploring opportunities for future sector consolidation.

Property management

We will be excellent at acquiring (buy or lease), designing, constructing, managing, maintaining and finally exiting and / or selling property.

During the year;

- Our like for like housing income rates have been increased, as every year from 2016 by RPI+1.
- We have disposed of several 'surplus to operational requirements' properties in year. These disposals being the result of applying a systematic framework of holistic review (Service Optimisation Review) of property / service

assets. Noting this review being part of our forward estate strategy programme.

- Post Grenfell with renewed focus and scrutiny on fire safety in buildings. We have adopted a robust PAS 79 fire risk assessment approach and partnered with a Primary Authority (Dorset & Wiltshire Fire service) to ensure we follow best practice for organisations in the sector. The approach balancing person centred & building risk to ensure a holistic approach is taken.

Campaigns

We have continued to provide a solutions-focussed approach on the issues facing social care, and used our passion, knowledge and experience to campaign with the people we support on the issues that matter to them.

Specific campaigns we delivered this year included:

- The continuation of MP visits to our services as part of our Walk in our Shoes campaign, which aims to facilitate opportunities for people with learning disabilities to share their experiences with politicians and help shape future policy decisions that affect their lives
- Publication of our Sector Pulse Check report which provides an annual snapshot of the financial health of the social care sector over the past year and an indication of how providers anticipate the next twelve months will progress.

Fundraising

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

In the year Hft's Fundraising department continued to secure philanthropic funds from a range of supporters to support its work and to enhance the lives of thousands of people with learning disabilities.

We aim to comply with all standards set by the Fundraising Regulator in its Code of Fundraising Practice and have a quarterly review to measure our compliance with the Code. In particular,

where professional fundraisers and fundraising agencies are engaged and working on our behalf, we ensure that the solicitation statements are in place and that their activities are monitored. We also adhere to the Code as it relates to treating people fairly and, in particular vulnerable adults, to ensure that they may be protected and not subjected to unreasonable pressure to give a donation.

The Operations Committee also reviews our fundraising activity at regular meetings to ensure we are acting responsibly within fundraising regulations, particularly relating to vulnerable adults. They also monitor the performance of fundraising activity to ensure we deliver value for money for our supporters. We value our relationship with supporters and donors and are therefore pleased that the year saw only 0.05% complaints about our fundraising activity which is a reduction on the previous year.

We would like to express our thanks to the following organisations, trusts and individuals who have supported us in the year to 31 March 2020, as well as those who prefer not to be named:

ABF, The Soldiers' Charity
Belron® Ronnie Lubner Charitable Foundation
The Betty Margaret Littler Foundation
The Blair Foundation
Forbes Charitable Foundation
Froxfield Charitable Trust
Gerald Micklem Charitable Trust
Mrs Gina Kalchstein
The Hadley Trust
The Healy family
The National Lottery Community Fund
The Princess Anne's Charities Trust
The Simon and Elizabeth Batey Charitable Trust
Sir Stuart I lampson CVO DL
Mr Nigel Doggett
Mr Richard Price MBE
Mr Richard Barber MBE

External factors

The last weeks of the financial year were dominated by the impact of the Covid-19 virus which has significantly impacted the delivery of care in the period after the financial year end. Save for the valuation of the Investment Funds which declined during that period, these results were not affected substantially.

During the year we planned for some contemporaneous impact from Brexit as it related to the ability to recruit staff and in the longer term we do believe this will be an issue, given the payment of NLW compared to hospitality, supermarkets and the retail industry. It does seem, however, that this may not be as severe as we feared given the redundancy rates in those industries at the start of our new financial year.

We are still exposed to the risk from the judgement on Sleep-ins; the result of the appeal to the Supreme Court was due in June 2020 and we have chosen to retain the £2.8m contingent liability and maintain resources on our balance sheet to ensure we are robust to any further changes.

Given these factors, the Trustees have reviewed the charity's forecasts and projections covering a period exceeding 12 months from the date of signing of the financial statements. Based on existing cash funds and the estimated net returns from trading operations and capital disposals, the Trustees are satisfied that the group has adequate levels of reserves to continue in operation for the foreseeable future.

Despite the severity and scale of the funding and sleep-in issues, and the need for a Government led national solution, the political scene has been dominated by Brexit and the Covid-19 pandemic. Social care remains in crisis, and there does not appear to be the capacity in Westminster to address the issue and the Green Paper is now several years overdue.

The Trust works within the current market financial constraints and will continue to use the reserves available to remain sustainable in the delivery of care.

Investments

Due to Covid-19, the value of Hft's core investments declined during the year. The Investec portfolio closed the year at £5.1m; a gross return of -5.99% on the year, compared to a benchmark return of -4.23% and the income yield was 3.18% for the year. The Brewin Dolphin portfolio closed the year at £640k; a gross return of -21.35% on the year, compared to a benchmark return of -17.17% and the income yield was 4.2% for the year.

Environmental policy

Hft is fully committed to safeguarding the environment. In this respect it will specifically endeavour to:

- Encourage the reduced consumption of natural resources and energy. This is achieved through a rolling capital improvement programme addressing both building fabric and installed plan and equipment upgrades where economically viable.
- Operate a Purchasing Policy that avoids the use of environmentally damaging products whenever feasible.
- Prevent environmental pollution arising from its own operations.
- Try to safeguard natural habitats and species and preserve the nature and character of the countryside and gardens and grounds associated with our built environment.
- Provide information and support to both the service users and staff to encourage interest in environmental matters and soon proposed mandatory staff energy awareness training.
- Continue to employ a part-time Energy Manager.
- Encourage economical and environmentally sound use of its vehicles. This is continually reviewed through policy, which has set reduced benchmarks for company vehicles in terms of harmful emissions allowances from 160g/km to 131g/km in the last 5 years.

Carbon Policy (new for 2020)

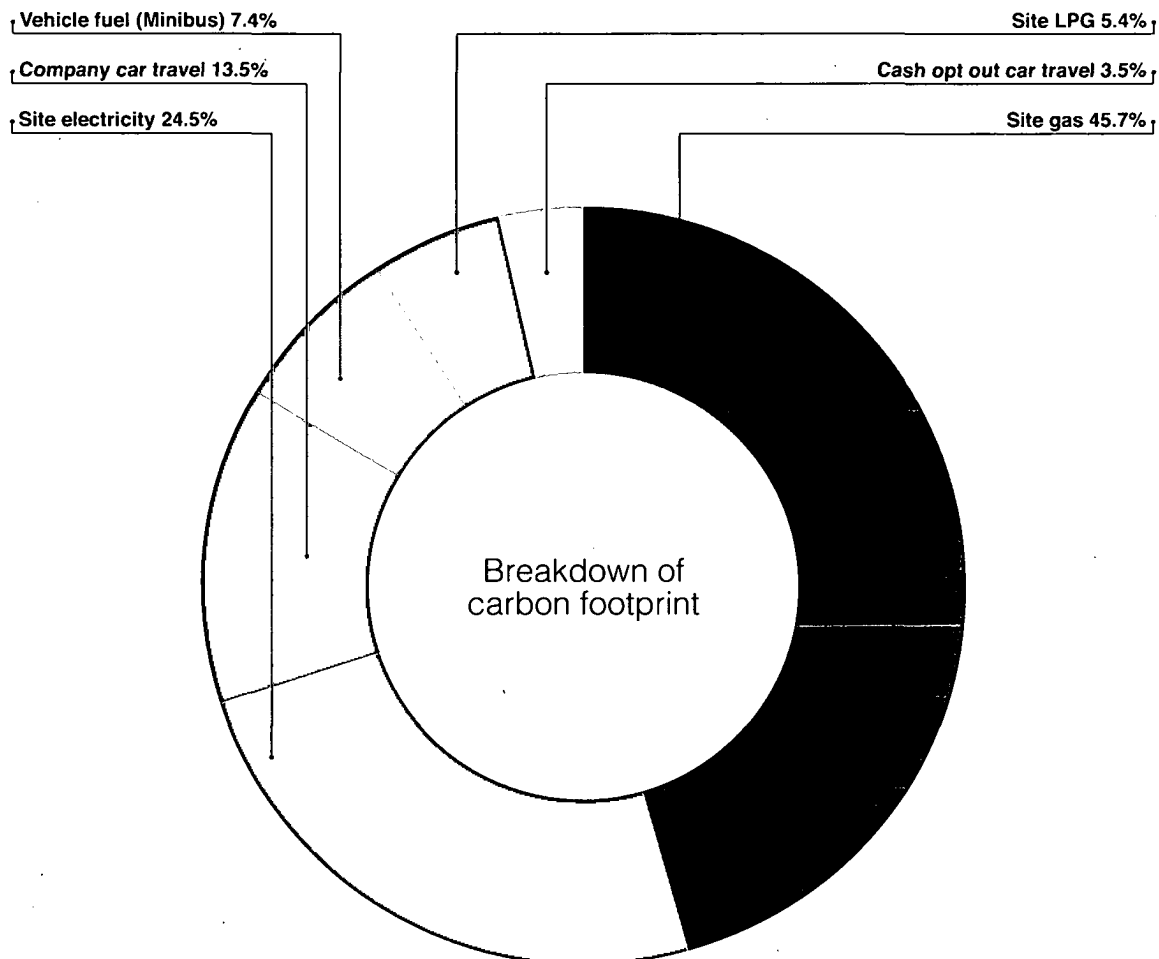
Energy Efficiency Actions

During the 2019/20 financial year, Hft has been working towards targets within its Energy & Sustainability strategy which is reviewed annually. This has included spend of approximately £5000 on improved lighting with greater efficiency across sites. In addition to this, Hft has replaced seven boilers with more efficient models at the following sites:

- Roslyn Day Centre (100 kW)
- Severn, Forbes Close (80 kW)
- Rowan Drive (35 kW)
- 5 Philippines Close (80 kW)
- Bradbury Resource Centre (60 kW)
- Briars Furlong Close (25 kW)
- Orchard Brow (35 kW)

Scope	Activity	Tonnes CO ₂ e	kWh
Scope 1	Site gas	996.50	5,420,158
	Company car travel	292.71	1,223,817
	Vehicle fuel (Minibus)	160.33	656,066
	Site LPG	116.41	542,760
Scope 1 Sub Total		1,565.93	7,842,801
Scope 2	Electricity generation	490.82	1,920,251
Scope 2 Sub Total		490.82	1,920,251
Scope 3	Cash opt out car travel	76.44	319,618
	Electricity transmission and distribution	41.67	-
Scope 3 Sub Total		118.11	319,618
Total tonnes of CO₂e		2,174.86	-
Total tonnes of CO₂e per employee		3.03	-
Total tonnes of CO₂e per £M turnover		25.64	-
Total energy consumption (kWh)			10,082,670

Hft's carbon footprint consists of two key elements; site utilities and business travel. Site utilities (gas, electricity and LPG use) account for a combined 75.7% of Hft's total GHG emissions. Business travel accounts for the remaining 24.4% of Hft's footprint.



Percentage contribution of each element of Hft's carbon footprint.

Breakdown of carbon footprint

Hft also completed a detailed Energy Savings Opportunity Scheme (ESOS) energy audit of its energy use, and is in the process of implementing the recommendations made.

Looking forward, Hft will continue with the boiler replacement programme and recommendations from ESOS. In addition Hft has carried out a major review of the estate, based on energy ratings, condition and suitability to target

investment or disposal to ensure funding is channelled to reduce energy use in retained properties. It has become clear that travel between sites is not always necessary. Hft is pioneering landlord duty electronic lease/handover methods to reduce the amount of travel, and is looking to use this principal across the company to reduce travel to meetings and between sites, reducing carbon emissions currently making up 17% of our footprint.

Risk Management

The Trustees identify key areas of risk and seek to mitigate these through established reporting and monitoring systems. The Audit & Risk Committee regularly reviews Hft's detailed risk register and receives reports from management of key areas of risk to the Trust. The risk register is a comprehensive list of the major internal and external risks which Hft faces in the short term and long term, including risks such as market risk, reputational risk and systems risks. Each risk has a named risk owner and identified mitigating strategies.

During the year Hft used a combination of internal auditors and external risk assurance experts to ensure the integrity and efficacy of key financial processes and controls in services and in the Central Support Finance Department. These teams worked closely with the health and safety advisors/auditors and the Operations Quality Assurance and Compliance team. The following statements summarise Hft's policies in managing identified forms of financial risk:

Risk for Hft	Description of risk	How Hft manage the risk
Price and cost risk	The fees we receive from Local Authority purchasers are set by agreement with the purchasers, by reference to an assessed level of hours of support needed and the Local Authority framework hourly rate. This price setting mechanism provides us with an income envelope in which we have to fit our costs. Our principal costs are salaries and wages (and associated on-costs). Salary levels are set by reference to prevailing market rates. Over time, we expect this income envelope to be squeezed even more than it has been to date, as a result of the future upward cost pressures which has been exacerbated by the National Living Wage.	Annual fee increases. Maximising the efficiency of rostered hours and delivery against commissioned hours.
Credit risk	Counterparty risk on amounts owed to Hft by its customers is low, as the majority of debtors are Local Authorities. We have a good track record of working with Local Authority care/finance/contract teams to get invoices paid on a timely basis. The critical fee issue we have with funders is getting an appropriate and acceptable fee level agreed at the inception of a service, and also getting the fee subsequently changed as the service changes over time (for example more hours of support needed to help someone as they age and their needs become more complex).	Reporting of debt and active KPI management for debtor days.

Risk for Hft	Description of risk	How Hft manage the risk
Operational risk	<p>Non-financial risks which are documented on Hft's risk register include;</p> <ul style="list-style-type: none"> • Risk of death or serious injury of a person we support, staff or third party • Serious abuse of people we support • Environmental non compliance • Poor quality service provision • Systems outage and cyber threat • Failure to recruit and retain staff • Changes to government policy • Implications of Brexit • Coronavirus 	<p>Following the Grenfell fire all fire authorities have focussed significant attention on fire policies and Hft has been working with Dorset Fire Authority to secure their support as a Primary Authority. In doing this we have reviewed all fire safety policies, procedures, approaches and activity. Hft now understands a significant shift of people is a risk to Hft with new statements from Fire Authorities on the actions they will take in the event of a fire and their expectations of Hft staff in those same circumstances.</p> <p>Each risk is assigned an Executive lead individual to manage and report on the risk and the associated risk mitigation strategies. The risk register captures both short term operational risks, as well as longer term strategic risks. The risk register is reviewed at its monthly meetings by the Executive management, and periodically by Trustees. The risk register feeds into our short term operational and long term strategic planning processes.</p> <p>Coronavirus has presented us with uncertainty about the impact on society and the delivery of care. A committee has been established to review and implement all relevant government guidelines relating to the delivery of care and support for Hft employees.</p>
Liquidity risk	<p>The company has no long term borrowings (other than the mortgages listed in note 19), and will make use of its short term overdraft facility when required. During 2019/20 the overdraft facility remained at £1m (unsecured).</p>	<p>If necessary, the investment portfolio could be realised at short notice.</p>
Interest rate cash flow risk	<p>Historically, the company placed surplus funds on short term deposit with a selection of major UK banks and building societies. There have been minimal surpluses in the year as we have invested in capital projects. In the event of planned asset disposals being delayed, we will utilise the full bank facility in order to be able to maintain our investment programme in the short to medium term.</p>	

Directors' and Officers' Liability Insurance

The group has insurance to cover Trustees' and Officers' liability, as permitted by the Companies Act 2006 at a cost of £13k (2019 £13k).

Consideration of Directors responsibilities

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

The likely consequence of any decision in the long term

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

The interests of the company's employees

Our employees are vital to HFT and we regard on going, regular engagement with them as a top priority. We measure employee engagement through regular surveys and address any issues raised through this as quickly as possible. We involve the Partnership Forum at early stages in decision making and they meet regularly with the Executive team and the Trustees to share thoughts, plans and opinions.

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

Our relationships 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 relationship.

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

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



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

Our reputation and public trust in HFT is fundamental to our future success. We use our organisational values and behaviours in our recruitment and training for both employees and volunteers to ensure that we maintain high standards, and these are used as a performance measure in our appraisal processes. Our procurement and ethical policies and procedures ensure that our values also a key part of our selection of partners and suppliers. We are regulated by the Care Quality Commission and the Charity Commission and our quality results are publicly available.

The need to act fairly as between members of the company

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



Financial Review

Income

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

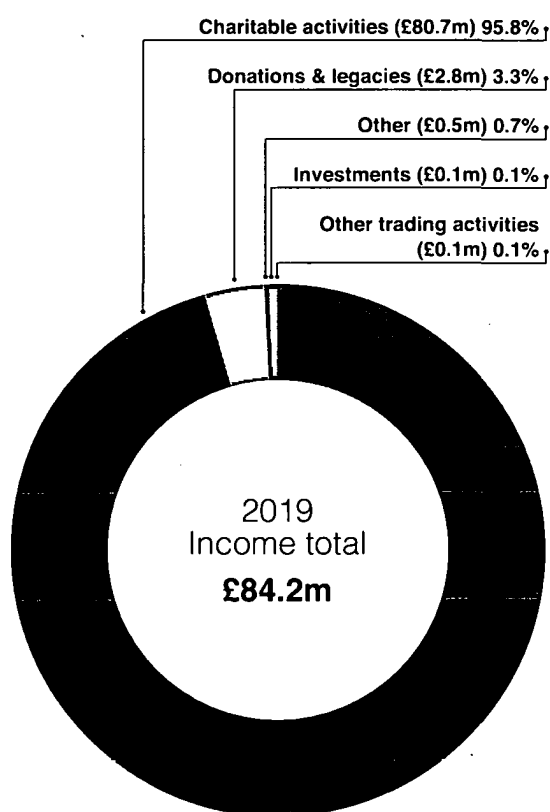
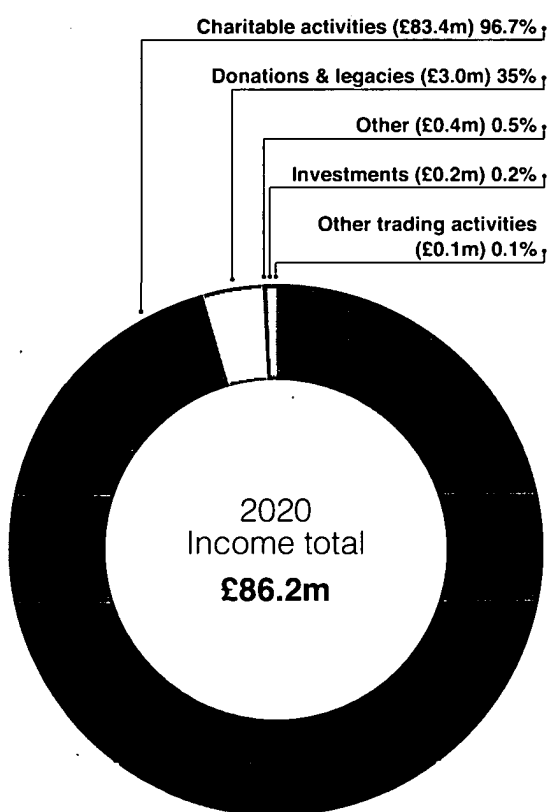
Total income from organisational activities increased to £86.2m (2019: £84.2m) with increases in fees (£2.7m) donations and legacies (£0.2m) offset by a loss on the disposal of assets in the year of £0.5m (2019: profit £0.6m).

Fee income from the provision of care services to Local Authorities in the UK in the year of £83.4m represents an increase of 3.3% on 2018/19: £80.7m. This growth reflects the full year impact

of new and closed services from the previous year and services opened and closed in the year, together with fee uplifts received during the year. Fee income delivered 96.7% of total income compared to 95.8% in 2019.

Income from donations and legacies was £3.0m which is £0.2m up on the previous year being the difference in receipts from major trusts.

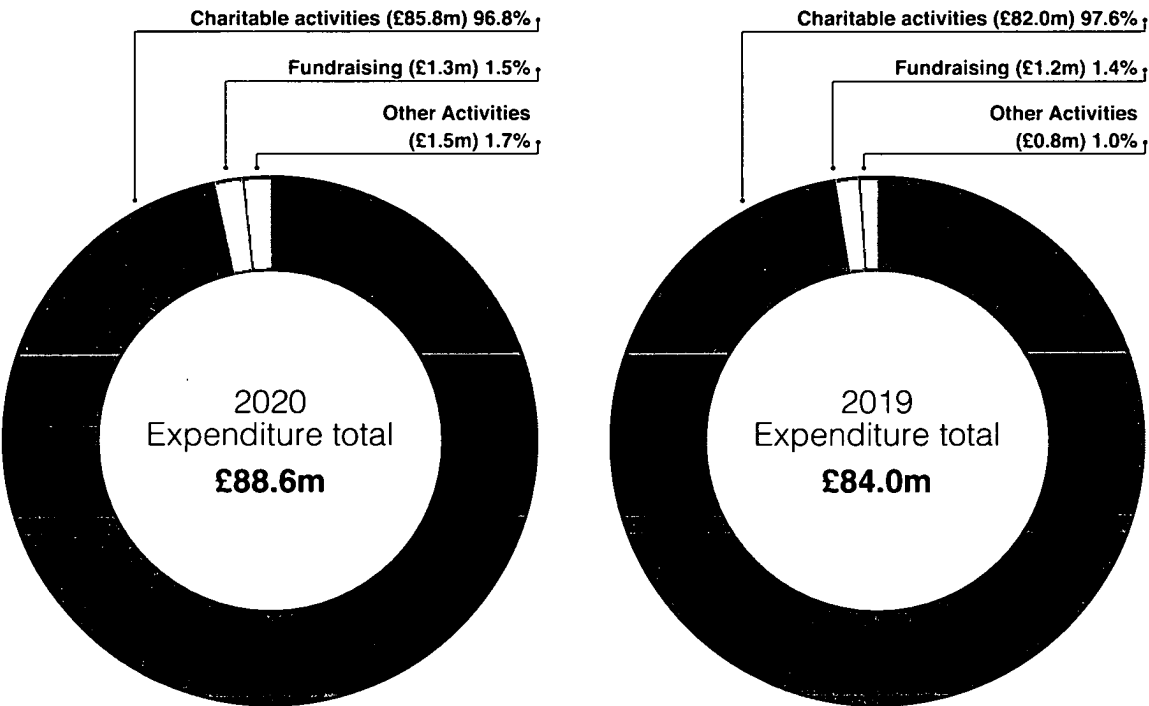
The asset disposals during the year (2019:£0.5m) included the sale of 4 properties and generated a loss of £0.5m.



Expenditure

Total expenditure in the year of £88.6m (2019 : £84.0m) is a £4.6m and 5.2% increase on 2019.

Increased costs in the delivery of charitable services of £3.7m include increase in NLW, and increase in statutory pension contributions. These costs were not fully recovered in fee increases from Local Authorities, and are a statutory obligation.



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

	2020	2019
	£'000	£'000
Services income (note 3)	82,876	80,341
Services direct costs (note 8)	(75,216)	(71,147)
Services surplus before support costs	7,661	9,194
Support costs	(9,503)	(8,545)
Services (deficit) / surplus after support costs	(1,842)	649

During 2020 due to widening gaps between increase in costs of delivering care and lower rates of fees being received, more services are being highlighted as financially unsustainable and are under review. Significant additional resource was applied to reduce agency through enhanced recruitment and pay structure reviews at a local level to ensure that all available resources can be applied to attract staff.

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

	2020	2019
Fee Income per day (£k)	227	219
Occupancy rates (%)	95	94
Total Employment Costs (TEC) as % income	76	74
Agency costs as % Total Employment Costs	10	11
Operating Contribution as % Income	11	11
Overheads as % Income	11	10
Fundraising income v expenditure	3:1	3:1

Trading activity

The principal component of trading activities is the sale of seasonal cards and gifts. The total trading surplus in 2020 amounted to £25k (2019: £nilk surplus). Hft recharges costs as incurred to this trading subsidiary.

Charity projects

The net expenditure on special projects in the year to 31 March 2020 of £1.0m is £0.2m increase on 2018/19 net cost of £0.9m. Special projects include the public benefit projects such as FCSS, Luv2meetU and the Personalised Technology project. The decrease in net expenditure is due to reduced funding, efficiency savings and the generation of income from providing chargeable Personalised Technology services.

Balance sheet

Reserves have decreased by £3.2m as a result of the year's activities; the main changes in the balance sheet during the year are as follows:

Intangible assets value declined by £0.2m as a result of additional project capitalisations (£0.2m) offset with the amortisation of those costs (£0.4m).

Tangible fixed assets decreased by £1.0m to £61.1m which includes;

- Net book value of disposals of £1.8m

Current assets

- Fee debtors have decreased due to the timing of invoices raised and should be viewed in conjunction with the income accrual, the net decrease is £0.5m.
- Trade creditors decreased marginally in the year and creditors for both social security and pension costs increased in line with increases in both of the base costs.

- Loans have reduced by £40k of scheduled capital repayments, and a further £85k of capital repayment
- The pension fund surplus recognised in the closed final salary pension scheme has decreased from £2.7m to (£0.2m).

Reserves

At 31 March 2020 the total funds of the charity were £73.4m of which £18.3m were restricted leaving a total of unrestricted funds of £55.1m.

As explained in the note to the accounts the Trustees have designated £48.3m of funds for fixed assets and capital projects, the reduction of £0.6m reflects the disposal of land and buildings during the period. The Trustees will continue to manage the undesignated balance available for general charitable activity.

The general reserve policy was last reviewed in November 2018 and it was agreed to maintain the level of general reserves sufficient to cover 6 weeks payroll £6.9m (2019: £7.3m). At the year-end the general reserve balance was £6.8m (2019 £9.3m) (see notes 21 & 22).

This level of general reserve would be sufficient to cover payroll costs and provide working capital support for major projects.

Investment powers, policy and objectives

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

Plans for future periods

Our plans for 2020/21 reflect a continued focus on key strategic drivers (see page 25) and the resolution of key challenges.

We recognise the need to achieve financial sustainability for the benefit of the people we support, and are undertaking challenging reviews of our organisation to highlight areas of improvement. This will require us to make difficult decisions which we have committed to doing with reference, always, to our core objectives.

This will include the further rationalisation of systems and processes and development of tactical technology solutions with an aim to retire all legacy systems as soon as possible. We will be reviewing the structure of our administration and control systems to ensure they are driving maximum efficiency.

Growth

The demand for learning disability services continues to grow and the complexity of many of those services is increasing. We will continue strengthening our position within existing regions, pursue our strategy of growing and developing services and explore opportunities for sector consolidation, when these arise.

Building capacity

We will continue to invest in accommodation for people we support, given appropriate levels of return and will continue to review the portfolio to ensure the most relevant fit for the needs of those we support.

We will continue to invest heavily in upkeep and maintenance of our housing estate whilst working pro-actively to design affordable and sustainable cutting edge housing to support people with complex needs.

Charitable services

The cuts in funding for services and challenges around Fundraising means that we are reviewing the delivery models for our key charitable services: FCSS, Personalised Technology, Luv2meetU and our Volunteering, as well as other activity which we have provided in the past and which is explicitly unfunded by Local Authorities.

We are fully committed to these activities and believe they offer significant benefits to all those with a learning disability and their families. We need to ensure that they are properly funded, sustainable, offer the kind of services that people want for the future, and have greater scalability.

Fundraising

We restricted our donor recruitment activity while confidence in Fundraising was low over the last two years. With a change in senior fundraising personnel we reviewed all opportunities to increase fundraising income whilst ensuring that our current and future donors have a satisfying experience supporting us.

Developing Hft's voice

We have worked to maintain a voice of reason during this challenging year and will continue to champion sensible change and reform to benefit the whole sector, as well as the people we support at Hft.



Statement of Trustees' responsibilities

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

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

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

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Going Concern

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

Based on the level of existing cash, the estimated levels of income and expenditure, and the planned capital disposal programme the Trustees are satisfied that the group has adequate levels of reserves to continue in operation for the foreseeable future with no immediate plans to liquidate investments.

Trustees have also considered any material uncertainties in the operating environment in the light of the Covid-19 pandemic and ongoing economic repercussions. Within four weeks of the lockdown the Trustees had received forecasts for financial performance based on a range of scenarios using information and predictions available at the time. As further information became available these forecasts were refined and policy updated for activity and pay conditions. The care support hours funded by Local Authorities enabled the modelling to crystallise, and additional support for Covid related costs reduced the risk to acquiring all the necessary protective resource and equipment necessary for the safe provision of care. In light of this support the Trustees believe that the risk to going concern has been mitigated.

A decision in the Court of Appeal supporting the payment of NLW back pay on sleep ins would impact the reserves of the organisation in the short term, and the robust balance sheet ensures that this would have no significant impact on liquidity.

Accordingly, the going concern basis has been used in preparing these financial statements.

The Trustees have also considered the longer term economic risk to the organisation from the pandemic and Brexit; particularly the capital disposal programme, and are working with scenarios including revenue reductions and delayed disposal times; neither of which create a substantial risk to the returns.

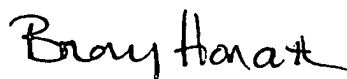
Trustees also consider there to be no material uncertainties in the operating environment outside of the pandemic and believe the organisation is well positioned to support growth and innovation in the future.

Statement on Disclosure of Information to the Auditor

So far as each Trustee is aware, there is no relevant audit information of which the company's auditor is unaware.

Each Trustee has taken all the steps (such as making enquiries of other Trustees and any other steps required by the Trustee's duty to exercise due care, skill and diligence) that he or she ought to have taken in his duty as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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



Briony Horvath

Vice Chair

Date: 30/09/2020



Independent Auditors' report to the members of HF Trust Limited

Opinion

We have audited the financial statements of HF Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Annual report and the incorporated Strategic Report prepared for the purpose of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Annual report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 41, 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.

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

Use of our report

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

RSM UK Audit LLP

Nicholas Sladden

(Senior Statutory Auditor)

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

25 Farringdon Street, London, EC4A 4AB

Date: **14 October 2020**



Consolidated Statement of Financial Activities

For the year ended 31 March 2020

(including Consolidated Income and Expenditure Account)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:					
Donations and legacies	3	1,876	1,116	2,992	2,769
Charitable activities	3	83,406	-	83,406	80,695
Other trading activities		69	-	69	86
Investments		190	-	190	122
Other	7	(446)	-	(446)	551
Total		85,095	1,116	86,211	84,223
Expenditure on:					
Raising funds	8	1,274	-	1,274	1,171
Charitable activities	8	84,601	1,194	85,795	82,037
Other	8	1,537	-	1,537	818
Total	8	87,412	1,194	88,606	84,026
Net (losses)/gains on investments	12	(622)	-	(622)	393
Net income/(expenditure)	9	(2,939)	(78)	(3,017)	590
Other recognised gains/(losses):					
Re-measurement of defined benefit pension scheme	24	(231)	-	(231)	-
Net movement in funds		(3,170)	(78)	(3,248)	590
Total funds brought forward	20	58,309	18,390	76,699	76,109
Total funds carried forward	20	55,139	18,312	73,451	76,699

Balance Sheet

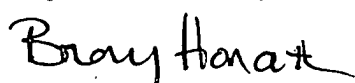
as at 31 March 2020

Company registration No. 734984

		Group		Company	
	Notes	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fixed assets					
Intangible assets	11 (a)	1,261	1,450	1,261	1,450
Tangible assets	11 (b)	61,133	62,163	61,133	62,163
Investments	12	5,834	6,318	5,834	6,318
Total fixed assets		68,228	69,931	68,228	69,931
Current assets					
Stocks	13	5	8	-	-
Debtors: amounts falling due within one year	14	7,207	7,785	7,205	7,986
Cash at bank and in hand	15	5,608	6,478	5,568	6,240
Total current assets		12,820	14,271	12,773	14,226
Current liabilities					
Creditors: Amounts falling due within one year	16	6,368	6,888	6,370	6,844
Net current assets		6,452	7,383	6,403	7,382
Total assets less current liabilities		74,680	77,314	74,631	77,313
Creditors					
Amounts falling due after more than one year	16	315	400	315	400
Provisions for liabilities	17	683	216	683	216
Pension liability		231	-	231	-
Net assets		73,451	76,698	73,402	76,697
The funds of the group/company					
Restricted funds	20/23	18,312	18,390	18,312	18,390
General reserve	20	6,794	9,424	6,745	9,422
Designated funds	20/22	48,345	48,885	48,345	48,885
Unrestricted funds excluding pension liability	20	55,139	58,309	55,090	58,307
Pension reserve		-	-	-	-
Unrestricted funds		55,139	58,309	55,090	58,307
Total funds	21/22	73,451	76,699	73,402	76,697

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 £3.2m (2019 - surplus £0.6m).

The financial statements on pages 46 to 78 were approved and authorised for issue by the Council and signed on its behalf by:



Briony Horvath

Vice Chair

Date: 30/09/2020

Cash Flow Statement

For the year ended 31 March 2020

		Group		Company	
	Notes	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Cash flows from operating activities:					
Net cash provided by operating activities		(41)	(381)	158	(487)
Cash flows from investing activities:					
Proceeds from assets held for disposal		696	2,218	696	2,218
Purchase of property, plant and equipment		(1,182)	(1,293)	(1,182)	(1,293)
Purchase of intangible assets		(219)	(228)	(219)	(228)
Purchase of investments		-	(774)	-	(774)
Gift aid received from subsidiaries		-	-	-	-
Net cash used in investing activities		(705)	(77)	(705)	(77)
Cash flows from financing activities:					
Repayments of borrowing		(125)	(40)	(125)	(40)
Net cash used in financing activities		(125)	(40)	(125)	(40)
Change in cash and cash equivalents in the reporting period		(872)	(498)	(672)	(604)
Cash and cash equivalents at the beginning of the reporting period		6,478	6,976	6,240	6,844
Cash and cash equivalents at the end of the reporting period		5,608	6,478	5,568	6,240
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)		(3,248)	590	(3,295)	600
Adjustments for:					
Depreciation and amortisation charges	11	1,476	1,440	1,476	1,440
Investment management charges	12	34	31	34	31
(Losses)/gains on investments	12	639	(349)	639	(349)
Returns on investment and servicing of finance		(190)	(167)	(190)	(167)
Profit on the sale of tangible fixed assets		446	(551)	446	(551)
Fixed asset impairment	11 (b)	-	526	-	526
(Increase) / decrease in stocks		-	-	-	-
(Increase)/decrease in debtors		578	(1,429)	781	(1,509)
Increase/(decrease) in creditors		(474)	(515)	(433)	(551)
Increase/(decrease) in provisions		467	43	467	43
Non-actuarial decrease in liability	24	231	-	231	-
Net cash provided by operating activities		(41)	(381)	158	(487)
Analysis of cash and cash equivalents					
Cash at bank and in hand		5,608	6,976	5,568	6,240
Total cash and cash equivalents		5,608	6,976	5,568	6,240

Notes to the Financial Statements

For the year ended 31 March 2020

1. PRINCIPAL ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006, Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 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. There are no material uncertainties about going concern. The Trustees have reviewed and approved the future plans and financial forecasts underpinning the going concern assumption. The core business model is operating at high levels of occupancy and with fee levels from purchasers in excess of the costs of service delivery and associated support costs, and this is expected to continue to be the case for the foreseeable future.

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

Based on the level of existing cash and estimated levels of income and expenditure, the Trustees are satisfied that the group has adequate levels of reserves to continue in operation for the foreseeable future.

Trustees have also considered any material uncertainties in the operating environment in the light of the Covid-19 pandemic and ongoing economic repercussions. Within four weeks of the lockdown the Trustees had received forecasts for financial performance based on a range of scenarios using information and predictions available at the time. As further information became available these forecasts were refined and policy updated for activity and pay conditions. The certainty of care support hours funded by Local Authorities enabled the modelling to crystallise, and further support for Covid related costs reduced the risk to acquiring all the necessary protective resource and equipment necessary for the safe provision of care. In light of this support the Trustees believe that the risk to going concern has been mitigated.

The Trustees have also considered the longer term economic risk to the capital disposal programme and are working with scenarios including revenue reductions and delayed disposal times; neither of these create a substantial risk to the returns.

Accordingly, the going concern basis has been used in preparing these 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 2020. Intra group transactions and profits are eliminated fully on consolidation.

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

Income

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

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

Income from charitable activities

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

Other income

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

Grant income

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

Expenditure

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

Expenditure on raising funds

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

Expenditure on charitable activities

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

Apportionment of support costs

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

General reserve

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

Designated funds

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

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

Restricted funds

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

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

Intangible fixed assets

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

Tangible fixed assets

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

Impairment

Hft is required to conduct annual impairment reviews of its housing properties. Other assets are also reviewed for impairment if there is an indication that impairment may have occurred. In general, where the calculated value in use is lower than book value an impairment adjustment is made.

Depreciation

The depreciation being applied to freehold buildings is based on their expected useful lives and residual values. Accordingly buildings which are substantially residential properties in good order and with residual values that exceed historical cost no longer have a requirement to be depreciated. The impact of this change in estimation is further disclosed under "Critical accounting judgements and judgements and key sources of estimation uncertainty" on page 53.

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:

	2020	2019
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

Operating leases

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

Provisions

- Dilapidation

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

- Onerous leases

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

Stocks

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

Taxation

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

Investments

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

Pension scheme arrangements

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

- a defined benefit pension scheme (The HFT Retirement Benefits Scheme or "RBS"). The RBS is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being agreed by the actuary. In the intervening years the actuary reviews the continuing appropriateness of these rates. The RBS ceased accepting new members from 25 January 1996 and on 26 October 2005 the company ceased contributions to this scheme in respect of future accruals. Consequently, there are now no active members of this scheme.
- the HF Trust Limited group personal pension plan provided by Aegon: with effect from the date of commencement of automatic enrolment in to The Peoples Pension Scheme (see below), this pension plan closed to new members.
- contributions have been made into either the National Health Service Pension Fund or the West Yorkshire Pension Fund (part of the Local Government Pension Scheme), in respect of staff who transferred to Hft under the Bradford day services contract.
- contributions have been made into the Oxford County Council Pension Fund (part of the Local Government Pension Scheme); in respect of staff who transferred to Hft under the Oxford Vale contract.
- from April 2013, contributions have been made into the Care Fund Limited group personal pension plan, in respect of staff joining Hft on the acquisition of the Care Fund group; with effect from the date of commencement of automatic enrolment in to The Peoples Pension Scheme (see below), the Group Personal Pension Plan closed to new members.
- from April 2013, contributions have been made into a Scottish Equitable personal pension plan, in respect of staff joining Hft on the acquisition of the Care Fund group. This pension plan is closed to new members.
- from April 2013, contributions have been made into a Friends Provident personal pension plan, in respect of staff joining Hft on the acquisition of the Care Fund group. This pension plan had one member who left in the year and the scheme is now closed.
- following the commencement of automatic enrolment, from November 2013 contributions have been made into The Peoples Pension Scheme. This is the only pension scheme offered to new members of staff.
- from April 2013, contributions have been made into a Standard Life personal pension plan, in respect of staff joining Hft on the acquisition of the Care Fund group. This pension plan is closed to new members.
- from April 2016, contributions have been made into a Nest pension plan, in respect of staff joining Hft on the acquisition of The Edward Lloyd Trust. This pension plan is closed to new members.
- from April 2016, contributions have been made into a Legal & General pension plan, in respect of staff joining Hft on the acquisition of The Edward Lloyd Trust. This pension plan is closed to new members.
- from February 2018, contributions have been made into the Clwyd pension scheme in respect of staff joining Hft on the acquisition of Flintshire day services contract.

Critical accounting judgements and key sources of estimation uncertainty

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

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

Depreciation and the remaining useful life of fixed assets:

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

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

In respect of impairment reviewed Hft is required to make critical judgments and assessments against each housing property that is reviewed. The recoverable amount of each housing property is based on value in use, which requires estimates to be made in respect of the allocation of the property value to each cash generating unit and of the future economic benefit to be derived from the underlying assets. The value in use calculation at 31st March 2020 used a discount rate of 5%, with economic operating units, which was applied to cash flows extending over a 20 year period as a conservative estimate of the useful lives of properties. No impairment charge was made in the year.

2. PRIOR YEAR CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000
Income and endowments from:			
Donations and legacies	1,297	1,472	2,769
Charitable activities	80,696	-	80,696
Other trading activities	86	-	86
Investments	122	-	122
Other	551	-	551
Total	82,752	1,472	84,224
Expenditure on:			
Raising funds	1,171	-	1,171
Charitable activities	81,328	710	82,038
Other	818	-	818
Total	83,317	710	84,027
Net gains/(losses) on investments	393	-	393
Net income/(expenditure)	(172)	762	590
Other recognised gains/(losses):			
Re-measurement of defined benefit pension scheme	-	-	-
Net movement in funds	(172)	762	590
Total funds brought forward	58,481	17,628	76,109
Total funds carried forward	58,309	18,390	76,669

3. INCOME AND ENDOWMENTS

(a) Donations and legacies

Group and Company	2020 £'000	2019 £'000
Strategic Partnerships	557	607
Regional & community	332	259
Donor marketing	256	254
Extra Special Trust	-	774
Donations	1,145	1,894
Legacies	1,847	875
Total donations and legacies	2,992	2,769

Included within donations is £76k of Gift Aid reclaimed (2019: £58k). Income from Friends Groups of £32k (2018: £70k) 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 to results based on management estimates. It has not proved practical to obtain expenditure records from individual Friends Groups, however, the Council does not consider that the effect is material and it has no effect on the net incoming resources for the year (2019: no effect).

(b) Income from Charitable Activities

Group and Company	2020 £'000	2019 £'000
Service income	82,877	80,340
Special projects	446	299
Community Interest Company income	83	56
Total	83,406	80,695

4. HFT TRADING LIMITED

Hft has a wholly owned trading subsidiary, which is incorporated in England and Wales, with a registered office at 5/6 Brook Office Park, Folly Brook Road, Emersons Green, Bristol. Hft Trading Limited (company registration 02764761) undertakes non-primary purpose trading activities, namely the retail sale of Hft branded cards and gifts. The distributable net profit is distributed to Hft. A summary of the trading results of the subsidiary is shown below. Audited financial statements have been filed with the Registrar of Companies.

	2020 £'000	2019 £'000
Turnover	69	86
Cost of sales	(36)	(78)
Gross profit	33	8
Administration	(8)	(8)
Profit before Gift Aid payment	25	-
Gift Aid payment to the company	-	-
Retained in subsidiary	25	-
Analysis of net assets / liabilities:		
Current assets	46	105
Current liabilities	(21)	(105)
Net assets	25	-

5. HFT PROPERTY LIMITED

Hft has a wholly owned property subsidiary, which is incorporated in the England and Wales, with a registered office at 5/6 Brook Office Park, Folly Brook Road, Emerson's Green, Bristol. Hft Property Limited (company registration 03216502) develops property to provide residential accommodation for people with learning disabilities. The company did not have any trading results to report for the year. Audited financial statements have been filed with the Registrar of Companies.

	2020 £'000	2019 £'000
Current assets	6	6
Current liabilities	(6)	(6)
Net assets	-	-

6. LUV2MEETU COMMUNITY INTEREST COMPANY

Hft is the sole member of a company limited by guarantee. Luv2meetU Community Interest Company (company registration 07399511) is incorporated as a Community Interest Company and is registered in England and Wales, with a registered office at Listonshiels Resource Centre, Bierley Lane, Bierley, Bradford, West Yorkshire. A summary of the trading results is shown below. Audited financial statements have been filed with the Registrar of Companies.

	2020 £'000	2019 £'000
Turnover	83	56
Operating expenditure	(62)	(68)
Net income	21	(12)
Retained profit brought forward	(11)	1
Retained in subsidiary	10	(11)
Current assets	11	(11)
Current liabilities	(1)	11
Net assets	10	-

7. OTHER INCOME

Other income comprises:

	2020 £'000	2019 £'000
(Losses) / Gains on disposal of tangible fixed assets	(446)	551
Total other income	(446)	551

8. EXPENDITURE**(a) Analysis of expenditure**

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	Total 2020 £'000	Total 2019 £'000
Raising funds	738	192	344	1,274	1,171
Charitable activities:					
Service costs	62,468	12,746	9,503	84,717	80,605
Special projects	544	472	-	1,016	1,364
Community Interest company costs	62	-	-	62	68
	63,074	13,218	9,503	85,795	82,037
Other:					
Marketing and publicity costs	337	151	-	488	501
Trading activities costs	-	8	-	8	86
Investment management fees	-	37	-	37	24
RBS Buy out costs	-	750	-	750	-
Governance	-	-	254	254	207
	337	946	254	1,537	818
Total expenditure	64,149	14,356	10,101	88,606	84,026

Special project costs relate to projects funded from charitable sources and the purchase of specific items of equipment for services. All activities are carried out directly by the company.

(b) Analysis of support costs

	Raising funds £'000	Service costs £'000	Total 2020 £'000	Total 2019 £'000
Operations	61	1,678	1,739	1,530
Human Resources	84	2,329	2,413	2,176
Finance and Company Secretary	43	1,173	1,216	1,125
Estates	53	1,461	1,514	1,981
Information Technology	84	2,324	2,408	1,519
Corporate Management	19	538	557	214
Total support costs	344	9,503	9,847	8,545

(c) Analysis of professional and Trustee costs

	2020 £'000	2019 £'000
Internal assurance	16	62
External audit	56	53
Legal, professional & consultancy fees	52	36
Trustee expenses and meeting costs	9	15
Trustee training	1	1
Trustee liability and other insurance costs	13	12
AGM costs	1	2
Total professional and Trustee costs	148	181

9. NET INCOME / (EXPENDITURE)

Net income/(expenditure) is stated after charging:

	2020 £'000	2019 £'000
Operating lease charges:		
Land & buildings	1,228	1,342
Motor vehicles	661	659
Auditor's remuneration (company £43k; 2019: £41k)	43	43
Auditor's remuneration – tax advice, assurance reports	13	10
Impairment of fixed assets	-	526
Depreciation	1,068	1,069
Amortisation	408	373
(Loss)/profit on the sale of fixed assets	(446)	549

10. EMPLOYEES

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

	Number	2020 £'000	Number	2019 £'000
Salaries:				
Fundraising & Trading	24	657	21	718
Services & Projects	3,384	50,602	3,303	47,387
Special Projects	31	544	33	567
Support & Governance	171	5,239	170	4,456
	3,610	57,042	3,527	53,128
Other staff costs:				
National Insurance costs		4,340		3,915
Pension costs		1,989		1,269
		63,371		58,312

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

	2020 No.	2019 No.
£60,001 - £70,000	5	3
£70,001 - £80,000	1	-
£80,001 - £90,000	-	3
£90,001 - £100,000	2	1
£100,001 - £110,000	1	-
£130,001 - £140,000	-	1
£150,001 - £160,000	1	-
£170,001 - £180,000	1	-

For those staff whose emoluments exceed £60k per annum, pension contributions amounting to £30k (2019:£31k) were paid for the provision of money purchase benefits. All of these staff benefits accruing under the Group Personal Pension Plan and, in addition, two have accrued benefits under the defined benefit pension scheme (prior to the closure of the scheme).

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	2020 £'000	2019 £'000
Emoluments	681	577
Employers national insurance contributions	73	65
Employers pension fund contributions	19	26
	773	668

No member of the Executive management team received any other remuneration such as long term incentive schemes and shares. No member of the Executive Management team waived any emoluments.

Included within the employment costs above are redundancy and termination payments for employees and key management personnel totalling £414k (2019: £179k). These payments are recognised as soon as the liability to the charity crystallises under the terms of the agreement with the employee and payments have been made during the year.

The Trustees received no emoluments during the year (2019: £nil). The aggregate amount of expenses incurred by Trustees during the year amounted to £5k (2019: £13k). These were in respect of 13 Trustees (2019:14) and represented reimbursement of travel and subsistence expenditure and the costs of meetings and visits.

11. (a) INTANGIBLE FIXED ASSETS

Group and company		Computer software
Cost:	At 1 April 2019	2,076
	Additions	219
	At 31 March 2020	2,295
Amortisation:	At 1 April 2019	626
	Charge for the year	408
	At 31 March 2020	1,034
Net book value:	At 31 March 2020	1,261
	At 31 March 2019	1,450

Included within the computer software is £nil (2019: £67k) of assets in the course of construction.

11. (b) TANGIBLE FIXED ASSETS

		Freehold land & buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Company Cost:	At 1 April 2019	76,719	2,296	869	79,884
	Additions	1,122	60	-	1,182
	Disposals	(1,304)	(39)	-	(1,343)
	At 31 March 2020	76,537	2,317	869	79,723
Depreciation:	At 1 April 2019	15,750	1,169	802	17,721
	Charge for the year	714	301	53	1,068
	Impairment loss	(15)	-	-	(15)
	Disposals	(145)	(39)	-	(184)
	At 31 March 2020	16,304	1,431	855	18,590
Net book value:	At 31 March 2020	60,233	886	14	61,133
	At 31 March 2019	60,969	1,127	67	62,163
Group Cost:	At 1 April 2019	77,076	2,296	869	80,241
	Additions	1,122	60	-	1,182
	Disposals	(1,304)	-	-	(1,304)
	At 31 March 2020	76,894	2,356	869	80,119
Depreciation:	At 1 April 2019	16,107	1,169	802	18,078
	Charge for the year	714	301	53	1,068
	Impairment loss	(15)	-	-	(15)
	Disposals	(145)	-	-	(145)
	At 31 March 2020	16,661	1,470	855	18,986
Net book value:	At 31 March 2020	60,233	886	14	61,133
	At 31 March 2019	60,969	1,127	67	62,163

In the opinion of the Trustees there is no material difference between the carrying value of the land and buildings above, and the market value.

Impairment charges are shown as a cost to Charitable Activities in the SOFA.

12. FIXED ASSET INVESTMENTS

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Market value:				
At 1 April 2019	6,318	5,060	6,318	5,060
Income reinvestment	190	167	190	167
Additions via gift	-	774	-	774
Net gain/(loss) on investment assets	(622)	348	(622)	348
Investment management charges	(52)	(31)	(52)	(31)
At 31 March 2020	5,834	6,318	5,834	6,318

Investments are represented by:

	Cost	Market Value		Gross income	
	2020	2020	2019	2020	2019
	£'000	£'000	£'000	£'000	£'000
Investments listed in the UK:					
Common investment funds	60	61	61	-	-
Fixed Interest	1,298	1,252	1,290	46	46
Equity shares	1,535	1,581	2,077	77	85
Property and other funds	913	1,049	1,383	39	41
Cash	473	473	184	1	1
Interest	-	18	18	-	-
	4,279	4,434	5,013	163	173
Investments listed outside the UK:					
Equity shares	1,138	1,400	1,305	27	23
Company & Group	5,417	5,834	6,318	190	196

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

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

13. STOCKS

Stocks comprise bought in items for Hft Trading Limited.

14. DEBTORS

Due within one year:	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Loan due from Hft Trading Limited	-	-	10	10
Other amounts due from subsidiary				
-Hft Trading Limited	-	-	-	53
-Hft Property Limited	-	-	1	2
-Luv2meetu CIC	-	-	-	151
Loan due from Dimensions (UK) Ltd	42	42	42	42
Fees and grants	3,889	5,098	3,876	5,083
Other debtors	560	1,000	560	1,000
Prepayments	1,037	652	1,037	652
Accrued income	1,679	993	1,679	993
	7,207	7,785	7,205	7,986

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

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

15. CASH AT BANK AND IN HAND

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Cash and bank balances	5,608	6,478	5,568	6,240
	5,608	6,478	5,568	6,240

16. CREDITORS

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Due within one year:				
Mortgage loans (see note 19)	40	40	40	40
Interest free loans (see note 18)	158	158	158	158
Trade creditors	916	1,007	903	944
Taxation and social security payable	1,158	1,077	1,158	1,077
Other creditors	253	225	253	225
Accruals	3,534	3,993	3,549	4,012
Deferred income	309	388	309	388
	6,368	6,888	6,370	6,844
Due after more than one year:				
Mortgage loans (see note 19)	315	400	315	400
	315	400	315	400
Mortgage loans – repayable after more than one year:				
Between one and two years	40	40	40	40
Between two and five years	65	120	65	120
In more than five years	250	280	250	280
	355	440	355	440

Deferred income reconciliation	Group £'000	Company £'000
At 1 April 2019	388	388
Released during year	(388)	(388)
Provided during year	309	309
At 31 March 2020	309	309

Deferred income comprises income received in respect of fees relating to services provided after 31 March 2020.

17. PROVISIONS FOR LIABILITIES

Group & Company - Movement during the year	At 1 April 2019 £'000	Additions £'000	Releases £'000	At 31 March 2020 £'000
Lease provision	124	-	(124)	-
Repairs provision	92	-	(89)	3
RBS Buyout Provision	-	680	-	680
	216	680	(213)	683

The RBS buyout provision of £680k (2019 £nil) for professional fees and capital cost in relation to the buyout of the RBS pension scheme expected to be finalised in 2020.

18. INTEREST FREE LOANS

The interest free loans are repayable on demand. At 31 March 2020, repayment of the interest free loans could be wholly covered by cash and investments.

19. MORTGAGE

Mortgage loans	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Cornwall County Council	250	250	250	250
People 2000 Limited	105	190	105	190
	355	440	355	440

- (a) The mortgage loan of £250k is an interest free loan secured by a first charge on the freehold property of the Cornwall Day Centre which is held in the books with a net book value of £673k. The loan will become repayable if Hft should terminate the agreement, dated January 1992, with Cornwall County Council for the provision by Hft of accommodation and services for individuals with learning disabilities. In addition, the loan will become repayable if Hft should sell, lease or cease to use the day centre for individuals with learning disabilities.
- (b) The mortgage loan of £105k is a 10 year amortising loan from People 2000 Limited, to fund developments in St Austell and is secured on three properties in Devon which are held in the books with a combined net book value of £669k. The loan carries an interest rate of 2% above base rate, subject to a minimum rate of 2.5% and a maximum of 7.5%.

20. STATEMENT OF FUNDS

	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Unrestricted Funds £'000	Total Funds £'000
Company At 1 April 2019:	18,390	9,422	48,885	58,307	76,697
Income	1,116	84,943	-	84,943	86,058
Expenditure	(1,194)	(86,712)	(595)	(87,306)	(88,501)
Other recognised gains/(losses)	-	(853)	-	(853)	(853)
Fixed asset transfers	-	(55)	55	-	-
At 31 March 2020	18,312	6,745	48,345	55,092	73,402
At 1 April 2018	17,628	8,245	50,224	58,469	76,097
Income	1,472	81,486	-	81,486	82,958
Expenditure	(710)	(81,448)	(593)	(82,041)	(82,751)
Other recognised gains/(losses)	-	393	-	393	393
Fixed asset transfers	-	746	(746)	-	-
At 31 March 2019	18,390	9,422	48,885	58,307	76,697
Group At 1 April 2019:	18,390	9,424	48,885	58,309	76,699
Income	1,116	85,095	-	85,095	86,211
Expenditure	(1,194)	(86,817)	(595)	(87,412)	(88,607)
Other recognised gains/(losses)	-	(853)	-	(853)	(853)
Fixed asset transfers	-	(55)	55	-	-
At 31 March 2020	18,312	6,794	48,345	55,139	73,451
At 1 April 2018	17,628	8,257	50,224	58,481	76,109
Income	1,472	81,630	-	81,630	83,102
Expenditure	(710)	(81,602)	(593)	(82,195)	(82,905)
Other recognised gains/(losses)	-	393	-	393	393
Fixed asset transfers	-	746	(746)	-	-
At 31 March 2019	18,390	9,424	48,885	58,309	76,699

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

Unrestricted funds - The general reserve represents the working capital operating reserve of the group. The designated fund comprises the capital project fund and the fixed asset fund (see note 22).

Transfers - The fixed asset transfers reflect the net funds expended on tangible fixed assets during the year. Land and buildings acquired from restricted funds are held in the restricted fixed asset fund.

The fund transfer of £nil (2019: £Nil) from the general reserve to designated funds reflects the designation of funds towards capital development commitments. There has been no transfer during the year in order to establish the agreed level of general reserves and contingent liabilities.

21. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Representation of fund balances	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
Group					
Tangible & intangible assets	12,473	1,221	48,700	62,394	63,613
Fixed asset investments	-	5,834	-	5,834	6,318
Cash and bank balances	5,839	(231)	-	5,608	6,478
Other current assets	-	7,212	-	7,212	7,794
Current liabilities	-	(6,559)	(40)	(6,599)	(6,888)
Long-term liabilities	-	-	(315)	(315)	(400)
Provision for liabilities and charges	-	(683)	-	(683)	(216)
Net assets	18,312	6,794	48,345	73,451	76,699

Company					
Tangible & intangible assets	12,473	1,221	48,700	62,394	63,613
Fixed asset investments	-	5,834	-	5,834	6,318
Cash and bank balances	5,839	(271)	-	5,568	6,240
Other current assets	-	7,205	-	7,205	7,986
Current liabilities	-	(6,561)	(40)	(6,601)	(6,844)
Long-term liabilities	-	-	(315)	(315)	(400)
Provision for liabilities and charges	-	(683)	-	(683)	(216)
Net assets	18,312	6,745	48,345	73,402	76,697

Prior year Representation of fund balances	Restricted Funds £'000	General Reserve £'000	Designated Funds £'000	Total Funds 2019 £'000	Total Funds 2018 £'000
Group					
Tangible & intangible assets	12,946	1,343	49,324	63,613	65,715
Fixed asset investments	-	6,318	-	6,318	5,060
Cash and bank balances	5,444	1,034	-	6,478	6,975
Other current assets	-	7,794	-	7,794	6,365
Current liabilities	-	(6,848)	(40)	(6,888)	(7,393)
Long-term liabilities	-	-	(400)	(400)	(440)
Provision for liabilities and charges	-	(216)	-	(216)	(173)
Net assets	18,390	9,425	48,884	76,699	76,109

Company					
Tangible & intangible assets	12,946	1,343	49,324	63,613	65,715
Fixed asset investments	-	6,318	-	6,318	5,060
Cash and bank balances	5,444	795	-	6,240	6,844
Other current assets	-	7,986	-	7,986	6,477
Current liabilities	-	(6,804)	(40)	(6,844)	(7,386)
Long-term liabilities	-	-	(400)	(440)	(440)
Provision for liabilities and charges	-	(216)	-	(216)	(173)
Net assets	18,390	9,422	48,884	76,697	76,097

22. DESIGNATED FUNDS - GROUP

Designated funds comprise the following individual funds:

Mortgage loans	At 1 April 2019 £'000	Expenditure £'000	Fixed asset transfers £'000	Fund transfers £'000	At 31 March 2020 £'000
Designated fixed asset fund	48,885	(595)	55	-	48,345

The fixed asset fund represents the net book value of all unrestricted tangible fixed assets expected to be spent over the remaining life of the assets, less associated mortgage liabilities.



23. RESTRICTED FUNDS – GROUP AND COMPANY

	At 1 April 2019 £'000	Income £'000	Expenditure £'000	At 31 March 2020 £'000
General service restrictions:				
Gloucestershire	149	45	(60)	134
Sheffield	23	12	(4)	31
The Wirral	27	19	-	46
Kent South	27	22	(14)	35
South Oxfordshire	126	22	(15)	134
Herts & Essex	61	22	(6)	77
Devon East	44	4	(35)	13
Devon North East legacy	312	-	-	312
Leeds	56	26	(4)	78
Bedfordshire	53	22	(3)	72
Arden Vale	65	12	(50)	27
Cornwall	9	34	(24)	19
Cornwall (RMH)	17	-	-	17
Kingston-upon-Thames	72	15	(16)	71
North Oxfordshire	44	25	(5)	64
Bristol	7	4	(3)	9
Bradford	76	10	(25)	61
Kent North	212	67	(10)	269
Sussex	214	202	(137)	279
Shropshire	34	12	(3)	42
Leicestershire	22	10	(9)	23
London	17	22	(6)	33
Wiltshire	117	12	(4)	125
Lancashire	2	1	(4)	-
Newcastle	16	1	(1)	16
Forest of Dean	10	1	(4)	7
Flintshire		43	(6)	37
Other project grants: L2MU, PT	183	451	(273)	361
Newcastle Edward Lloyd Trust	877	-	-	877
Other restrictions:				
Edenbridge legacy	645	-	-	645
Extra Special Trust	774	-	-	774
Tiverton Drop-In Centre	57	-	-	57
Design for Life - East Midlands	408	-	-	408
Design for Life - Lancashire	53	-	-	53
West Sussex - Community Fund	137	-	-	137
Others Grants & Donations	498	-	-	498
Restricted project fund	5,444	1,116	(721)	5,835
Restricted fixed asset fund	12,946	-	(473)	12,473
Total restricted funds	18,390	1,116	(1,194)	18,312

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

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

Extra Special Trust - donated £774k for the income to be used to provide people we support with exceptional items to enhance their lives.

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

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

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

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

Other grants & donations: This includes individual smaller donations of less than £30k.

24. PENSION COMMITMENTS

(a) Home Farm Trust Retirement Benefits Scheme

During the year, the group operated a defined benefits pension scheme (the "RBS"). On 26 October 2005 the company ceased contributions to this scheme in respect of future accruals. The members of the scheme were offered membership of the new Group Personal Pension Plan with effect from 1 November 2005, as detailed in (b) below.

The scheme is administered by the Trustees of the scheme and provides benefits based on final pensionable salary.

The assets of the fund are held independently from those of the group and are invested in a whole Scheme bulk annuity policy with Rothesay Life which the Trustees purchased on the 10 March 2020.

Contributions are assessed on the advice of an independent qualified actuary on the basis of valuations using the projected unit method. The most recent full valuation of the scheme was as at 31 March 2017.

In July 2008 the company granted the RBS a £1m floating charge over its assets. The costs to the group of funding the RBS are accounted for in accordance with the rules on accounting for defined benefit pension schemes in FRS102. Post year end, at 26 June 2020 Trustees meeting, the Trustees agreed to release the £1m floating charge.

FRS 102 - assumptions, asset, liability and reserves disclosures

The full valuation of the scheme as at 31 March 2020 was performed by the scheme actuary, an employee of Capita plc.

Employee benefit obligations

The assets and liabilities of the scheme on an FRS102 basis were:

Group and Company	2020 £'000	2019 £'000
Fair value of scheme assets	12,313	16,063
Present value of defined benefit obligation	(12,544)	(13,347)
Surplus in scheme	(231)	2,716
Restriction on asset limit under paragraph 28.22 FRS 102	-	(2,716)
Defined benefit asset/(liability) recognised in the balance sheet	-	-

Expense Recognised in the Statement of Financial Activities

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

Group and Company	2020 £'000	2019 £'000
Net interest on defined benefit liability	-	-
Restriction on net interest due to paragraph 28.22 FRS 102 asset limit	-	-
Total recognised in statement of financial activities	-	-

Amounts taken to Other Comprehensive Income

Group and Company	2020 £'000	2019 £'000
Actual return on scheme assets - gains and (losses)	(3,033)	978
Less: amounts included in net interest on the defined benefit liability	(299)	(394)
Return on scheme assets excluding interest income	(3,332)	584
Actuarial gains and (losses)	385	(515)
Changes to the asset restriction under paragraph 28.22 FRS 102	2,716	(69)
Re-measurement loss recognised in Consolidated SoFA	(231)	0

Changes in the present value of the defined benefit obligation

Group and Company	2020 £'000	2019 £'000
Opening defined benefit obligation	13,347	13,203
Benefits paid	(717)	(752)
Interest cost	299	328
Remeasurement (gains) and losses	(385)	515
Past service costs	-	53
Closing defined benefit obligation	12,544	13,347

Changes in the fair value of scheme assets

Group and Company	2020 £'000	2019 £'000
Fair value of scheme assets at beginning of period	16,063	15,837
Interest income	299	394
Re-measurement gains and (losses)	(3,332)	584
Return on scheme assets excluding interest income	-	-
Contributions by employer	-	-
Benefits paid including expenses	(717)	(752)
Closing fair value of scheme assets	12,313	16,063

The major categories of scheme assets as a percentage of total scheme assets:

Group and Company	2020 £'000	2019 £'000
Equities and other growth assets	0.00%	19.70%
Government bonds	0.00%	51.30%
Corporate bonds	0.00%	27.50%
Insured annuities	98.20%	1.30%
Cash	1.80%	0.20%
Total	100.00%	100.00%

Pension costs are allocated solely against unrestricted reserves.

Principal actuarial assumptions:

Group and Company	2020	2019 Per annum
Discount rate	2.25%	2.30%
Retail prices index (RPI) inflation	2.75%	3.35%
Consumer prices index (CPI) inflation	1.75%	2.35%
Future increases in deferred pensions	1.75%	2.35%
Rate of increase to pensions in payment	2.70%	2.35%
RPI (max 5% pa)	2.70%	3.15%
Discretionary increase (per 6/4/1997 pension)	none	none

Post retirement mortality

S2PA tables with CMI 2013 projections subject to a long term improvement of 1.25%.

Cash commutation:

Members assumed to commute pensions benefits for tax free cash at retirement equal to 75% of the maximum permitted.

	2020	2019 Per annum
Future life expectancy of male aged 65 at balance sheet date	21.6	22
Future life expectancy of male achieving age 65 20 years after balance sheet date	22.9	23.4
Future life expectancy of female aged 65 at balance sheet date	23.5	23.9
Future life expectancy of female achieving age 65 20 years after balance sheet date	25.1	25.4

(b) Group Personal Pension Plan

During the year, the company operated a Group Personal Pension Plan provided through Scottish Equitable plc. With effect from the date of commencement of automatic enrolment in to The Peoples Pension Scheme (see below), the Group Personal Pension Plan closed to new members.

The company contributions to this plan are dependent on individual contracts of employment, varying between 3% and 9% of earnings. Members of this plan will contribute a minimum percentage of earnings as defined by government policy.

The assets of the plan, which are held separately from those of the company, are invested with Aegon Plc. The pension charge for the year was £202k (2019: £265k). The charge for the year includes £80k (2019: £125k) contributed under an employee salary sacrifice scheme. An amount of £15k was owing to the plan in respect of contributions as at 31 March 2020 (2019: £20k).

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

(c) NHS Pension Scheme

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

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

Contributions to the scheme are charged to the SOFA in the period in which they fall due. The current contribution rate is 14.3% as determined by Government Actuary using the Projected Unit Method. The amount charged to the SOFA was £218k (2019: £232k) and contributions owing to the scheme as at 31 March 2020 were £17k (2019: £17k).

(d) Local Government Pension Scheme

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

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

The company's contribution rate payable to the West Yorkshire Pension Fund is 15.7% and to the Oxford County Council Pension Fund is 19.9% of earnings, as determined by the scheme actuary in each case.

The amount charged to the SOFA in respect of both schemes was £50k (2019: £50k) and contributions owing to the schemes as at 31 March 2020 were £4k (2019: £6k).

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

As a part of the new service in Flintshire, Hft pays into the Clwyd Pension Fund. Contributions into the scheme are 20.7% and totalled £147k (2019 £171k) during the year with £12k (2019 £13k) owing to the scheme in respect of contributions.

(e) Care Fund Group Personal Pension Plan

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

The group contributions to this plan are dependent on individual contracts of employment, varying between 3% and 13% of earnings and are calculated based on individual salaries at 1 April each year.

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

The assets of the plan, which are held separately from those of the group, are invested with Standard Life plc. The pension charge for the year was £26k (2019: £38k). An amount of £2k was owing to the plan in respect of contributions as at 31 March 2020 (2019: £3k).

(f) The Peoples Pension Scheme

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

In addition to the statutory contribution levels of 1% of salary, which will rise in coming years, the group will contribute a maximum of a further 3% of salary, to match an employee's voluntary increase.

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

The pension charge for the year was £847k (2019: £630k). An amount of £77k was owing to the plan in respect of contributions as at 31 March 2020 (2019: £52k).

(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 £9k (2019: £10k). An amount of £0.6k was owing to the plan in respect of contributions as at 31 March 2020 (2019: £0.7k).

25. FINANCIAL COMMITMENTS

Total minimum commitments for non-cancellable operating leases are as follows:

	2020		2019	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Amounts payable within one year	831	653	840	736
Amounts payable between one and five years	2,229	1,005	2,638	1,457
Amounts payable in over five years	2,954	-	4,045	-
	6,014	1,658	7,523	2,193

26. CAPITAL COMMITMENTS

	2020 £'000	2019 £'000
Contracted for and not provided	-	-
Authorised by the Council but not contracted for	-	-

The amounts authorised by the Council but not contracted for are based on the approved budgets and plans for 2020/21.

27. ANALYSIS OF CHANGES IN NET DEBT

	At 31 April 2019 £'000	Movements	At 31 March 2020 £'000
Cash	6,478	(870)	5,608
Loans falling due within one year	(40)	-	(40)
Loans falling due after more than one year	(400)	85	(315)
	6,038	(785)	5,253

28. CONTINGENT LIABILITIES

In November 2017 we joined the Social Care Compliance Scheme (SCCS) and committed to calculate and pay salary arrears at National Minimum Wage for the period between November 2011 and January 2017 with sleep-in shifts as working hours. Whilst conversations regarding specific liabilities and calculations were ongoing with HMRC we estimated that the liability would amount to £4.84m in total, however following the impact of the Mencap case in February 2018 we believed that we had no further financial liability for back pay. The SCCS confirmed this situation in early 2019. We are currently awaiting the outcome of the Appeal against the Mencap judgement and, given change in timings and recalculation of liability, we now believe that we would have a potential liability of £2.9m. Until we have confirmation of the outcome of the appeal we will treat the amount of £2.9m as a Contingent Liability.

29. INCOME FROM THE DEVELOPMENT TRUST

On 30 April 2017 the assets of The Development Trust were consolidated into HF Trust Limited. These consisted of £0.7m of cash and charges over properties in relation to grants which are repayable only if the beneficiaries fail to fulfil the conditions of the grants. Hft do not consider it probable that any of them will become repayable.

30. RELATED PARTY TRANSACTIONS

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

Hft has a loan of £10k due and an outstanding balance of £25k from Hft Trading Limited. This loan attracts interest in accordance with Lloyd's bank base rate. A management charge of £1.6k is incurred by Hft Trading Limited (2019: £1.6k)

Hft has an outstanding balance of £nilk due from LUV2MEETU CIC. Costs of £62k were recharged to LUV2MEETU CIC (2019: £68k)

(a) Related transactions in parent company for year ending 31 March 2020:

	Sales £'000	Purchases £'000	Debtor £'000	Creditor £'000
HFT Property Limited	-	-	1	-
HFT Trading Limited	-	-	35	-
Luv2meetU	-	-	-	-
Total	-	-	35	-

(b) Related transactions in parent company for year ending 31 March 2019:

	Sales £'000	Purchases £'000	Debtor £'000	Creditor £'000
HFT Property Limited	-	-	2	-
HFT Trading Limited	-	-	63	-
Luv2meetU	-	-	151	-
Total	-	-	216	-

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

31. CAPITAL

The charity is a parent company limited by guarantee. Each member has undertaken to contribute £1 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 2020 is £1k (2019: £1k).

32. FINANCIAL INSTRUMENTS

The company's financial instruments are as follows:

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Financial assets	-	-	-	-
Debt instruments	-	-	-	-
Trade debtors	3,889	5,098	3,877	5,083
Accrued Income	1,679	993	1,679	993
Intercompany debtors	-	-	35	216
Loan due from Dimensions UK	42	42	42	42
Other debtors	560	1,000	560	1,000
	6,169	7,133	6,193	7,334
Equity Investments				
Listed investments	5,834	6,318	5,834	6,318
Financial Liabilities				
Mortgage loans	315	400	315	400
Interest free loans	158	158	158	158
Bank overdraft	-	-	-	-
Accruals	3,766	3,993	3,780	4,012
Trade creditors	916	1,007	903	944
Other creditors	253	225	253	225
	5,408	5,783	5,409	5,739

Equity Instruments

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

33. RESTRICTED FUNDS Prior year – GROUP AND COMPANY

	At 1 April 2018 £'000	Income £'000	Expenditure £'000	Fixed asset transfers £'000	At 31 March 2019 £'000
General service restrictions:					
Gloucestershire	32	131	(14)	-	149
Sheffield	24	1	(2)	-	23
The Wirral	23	6	(2)	-	27
Kent South	19	31	(23)	-	27
South Oxfordshire	121	20	(15)	-	126
Herts & Essex	56	9	(4)	-	61
Devon East	42	4	(2)	-	44
Devon North East legacy	312	-	-	-	312
Leeds	35	23	(2)	-	56
Bedfordshire	17	42	(6)	-	53
Arden Vale	47	35	(17)	-	65
Cornwall	3	18	(12)	-	9
Cornwall (RMH)	17	-	-	-	17
Kingston-upon-Thames	34	44	(6)	-	72
North Oxfordshire	38	6	(0)	-	44
Bristol	4	4	(1)	-	7
Bradford	63	13	0	-	76
Kent North	117	95	0	-	212
Sussex	123	104	(13)	-	214
Shropshire	24	11	(1)	-	34
Leicestershire	20	2	0	-	22
London	16	13	(12)	-	17
Wiltshire	114	5	(1)	(1)	117
Lancashire	0	2	0	(1)	1
Newcastle	11	5	0	-	16
Forest of Dean	8	2	-	-	10
Other project grants: L2MU, PT	216	-	(33)	-	183
Newcastle Edward Lloyd Trust	877	-	-	-	877
Other restrictions:					
Edenbridge legacy	645	-	-	-	645
Extra Special Trust	-	774	-	-	774
Tiverton Drop-In Centre	57	-	-	-	57
Design for Life - East Midlands	408	-	-	-	408
Design for Life - Lancashire	53	-	-	-	53
West Sussex - Community Fund	137	72	(72)	-	137
Others Grants & Donations	498	-	-	-	498
Restricted project fund	4,211	1,471	(238)	(2)	5,445
Restricted fixed asset fund	13,417	-	(472)	1	12,946
Total restricted funds	17,628	1,471	(710)	(1)	18,390



@Hftonline



Hftlearningdisabilities



Hftlearningdisabilities



Hft



HftTV

Registered Charity No: 313069

Company registered in England No: 734984