The Papworth Trust

Report and Accounts

31 March 2023

OUR VISION, MISSION AND VALUES

Our vision

- a world where disabled people are seen for who they are

Our mission

- is for disabled people to have equality, choice and independence

Our values

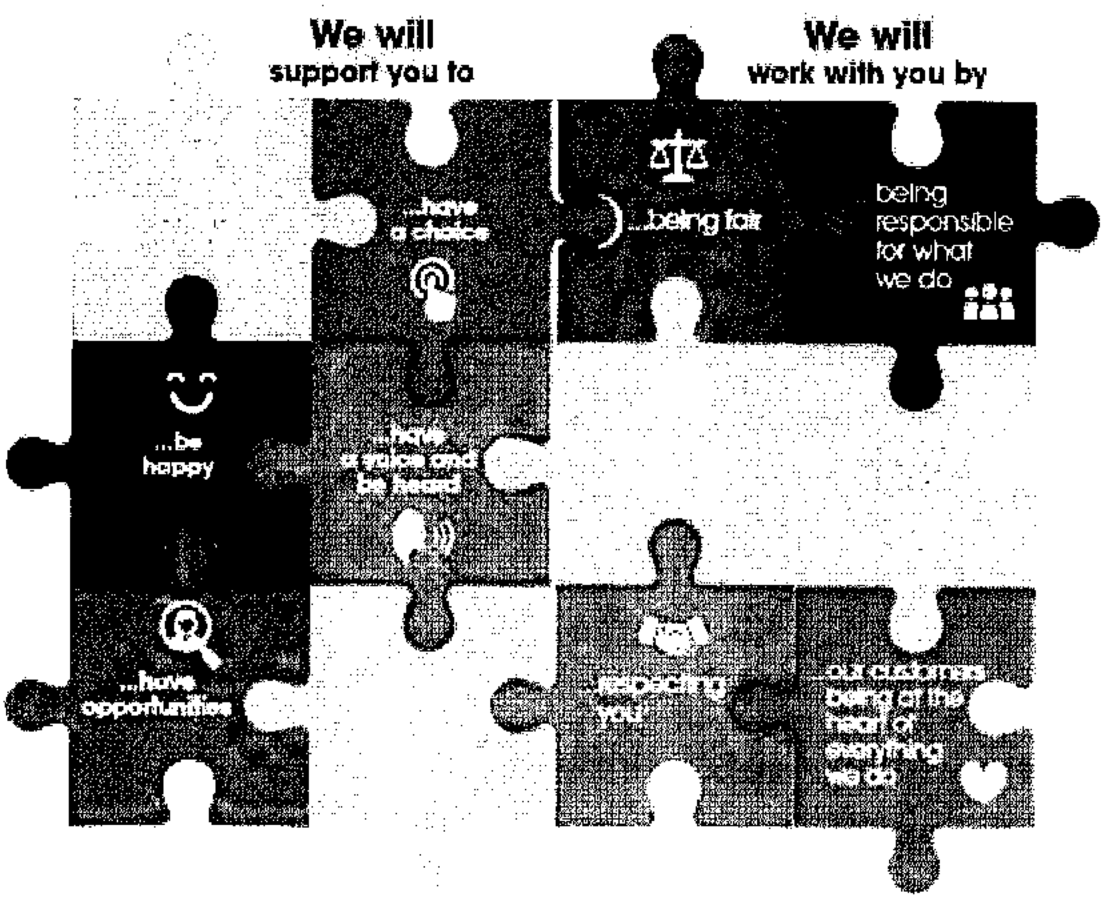
Our core value is that we put our customers at the heart of everything we do

We support our customers to:

- Be in control
- Have a choice
- Be happy
- Have a voice and be heard
- Have opportunities
- Have a home they want and the community services they need

We work with our customers by:

- Being fair
- Working together
- Being honest
- Being responsible for what we do
- Showing respect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Our Values

The Papworth Trust
Report and Accounts for the year ended 31 March 2023

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TRUST STATUS:	***Registration Number***
A registered charity	211234
A company limited by guarantee	148906
A private registered provider	LH1648

CHAIR'S REVIEW

I am pleased to present the latest report and accounts for the year ending 31st March 2023 for the Trust, in a year where we have continued to deliver positively against our Business Plan, increasing our customer focus, progressing on our sustainability objectives and influencing organisations through our Disability Confident Leader activities. The economic environment continues to be challenging, with cost inflation impacting the cost of goods and services procured and increasing interest rates starting to impact on our cost of borrowing. We have weathered the storm well to date, recording an operating surplus and generated cash whilst continuing to make a positive impact on the lives of people that we support. Our achievements against our plan are outlined in the report below, and these achievements are only possible through the continued outstanding work of our staff and volunteers, and the continued support of our partners, particularly the Varrier-Jones Foundation, and the funding that they provide, as well as Deloitte for their support and the renewal of our charity partnership.

We have invested significantly to bring on stream a further ten social housing units at our site in Knutsford Road in Bassingbourn and, although this has resulted in some write down of the historic value of this asset, we are excited that we have been able to offer high quality social housing to ten additional households in these challenging times. We have also secured an extension to our Work and Health Programme, providing access to opportunities to progress towards employment, and have consolidated our care and day services provision to maintain our support for our customers.

The external landscape is likely to remain difficult for some time. Local Authority funding, which is a key income stream for us, has never been more constrained, and increasing inflationary pressures in all areas will challenge the Trust. We, like much of the economy, have on-going recruitment and retention issues, as well as material and contractor availability challenges for buildings maintenance. We have sought to be as pro-active as possible to ensure we can secure the resources required for continued delivery. Our plans recognise these pressures and seek to mitigate risks to delivery as far as possible.

I would like to thank all the staff and volunteers of the Trust for their efforts over the past year; their commitment and dedication to our customers continues to inspire. I would also like to thank our Trustees, and all of our supporters, who make a significant contribution to the work of the Trust. Without the support of all, we couldn't do everything that we do.

Brian Stewart OBE – Chair of Trustees

TRUSTEES' REPORT

The Trustees present the Trustees' Report and audited Financial Statements for the year ended 31 March 2023.

Achievements and performance

We are pleased to report that we have been able to sustain our service delivery and continue to positively support our customers, despite the difficult economic climate currently being faced, whilst retaining customer and outcome focus. We send our thanks to all our staff and volunteers without whom this would not have been possible.

We have maintained our attention on elements that we believe have the greatest impact on the lives of disabled people, concentrating on our four key service delivery areas, which are:

- **Housing** – we are a registered provider of social housing, with over 70% of this being supported housing, ensuring disabled people have suitable homes
- **Work** – we deliver a number of programmes to support people to develop skills and gain access to employment opportunities
- **Care** – we provide care to individuals who generally have complex needs so that they can live independently within their own homes
- **Opportunities without Limits (OWL)** – provides a range of day services and opportunities for disabled people

We currently provide 673 homes of which 500 offer supported living, have supported 659 individuals moving towards and into work, delivered 191,947 hours of care in total for our 29 supported living customers and supported 241 people with learning disabilities with 47,424 sessions in 5 Opportunities without Limits centres. In 2022-23 Papworth Trust had turnover of £14.4m (2021-22: £14.8m) and employed 250 staff (2021-22: 249)

The Board of Trustees have established four key strategic objectives as part of our three-year Business Plan. We are pleased to report the following progress in 2022-23 that has been made against each of these.

Customer focus

Last year we promised to:

- Respond to the needs of our customers, providing support to achieve their aspirations
- Learn from our customers through engaging and co-producing our services and our offer
- Measure and monitor the impact our services have on the lives of our customers to learn and improve
- Co-design service standards and assess our performance against them.

Our Progress made:

- Consulted on our customer service standards, so you know what to expect when interacting with us
- Engaged with over 150 tenants at our new coffee and chat mornings
- Trialled an inaugural tenant satisfaction survey, helping to learn lessons from over 230 responses
- Established two employee wellbeing forums, a disabled colleague's group and the carers experience group to improve staff engagement
- Upskilled our tenant scrutiny panel to conduct their first review in 'reporting a repair', with their recommendations contributing to improved processes

Sustainability

Last year we promised to:

- Invest in our people processes and technology to provide a progressive and inclusive work environment
- Use asset management and net zero strategies to drive sustainability, whilst optimising our assets in accordance with our long-term financing plan
- Build on our strategic relationship with Varrier-Jones Foundation and broaden our approach to unrestricted funding
- Develop our management information strategy to support effective decision making and performance monitoring

Our Progress made:

- Achieved our Cyber Essentials accreditation
- Engaged with staff through 2 new employee forums
- Provided two one-off cost-of-living payments and set up a Positive Action fund to support staff and tenants
- Negotiated positive funding uplifts for the provision of our care services
- Engaged with Varrier-Jones Foundation to develop sustainable joint-working that supports their investments and our future needs

- Commenced our journey towards net zero, seeking to baseline our current emissions and trialled air source heat pumps in six homes and at our new Knutsford Road development

Grow our impact

Last year we promised to:

- Develop and invest in our approach to innovation
- Enhance our relationship management and strategic partnerships to maximise opportunities for disabled people
- Develop and integrate Information, Advice and Guidance, Transition and Befriending into existing core service delivery
- Implement our volunteer strategy to enhance the value of our services

Our Progress made:

- Secured a further 3 year partnership with Deloitte
- Delivered additional arts, drama, environmental and healthy living customer sessions at Opportunities Without Limits
- Provided 154 bikes to Ukrainian refugees
- 133 Corporate volunteers have helped with decorating, gardening, local moves and staff training
- Upskilled staff to signpost customer to the right place, no matter where they live in the region
- Refreshed our Opportunities Without Limits service model and began delivering two new employment programmes

External influence

Last year we promised to:

- Positively influence communities and national policy to meet the needs of disabled people
- Use our Disability Confident leadership status and expertise to maximise opportunities for disabled people
- Engage with Papworth Everard tenants and the wider community to enhance our relationships and our role in the village

Our Progress made:

- Responded to five Government consultations, set up a new policy hub area on our website and engaged with our Local MPs about rising energy prices, the cost of living and the funding crisis affecting adult social care providers

- partnered with national umbrella organisations, including the National Housing Federation and Shaping the Future of Volunteering, to push for fairer policy outcomes for disabled people
- Engaged with 22 organisations helping them to become Disability Confident
- Established regular open sessions with tenants to capture first-hand feedback on our delivery and performance.
- Strengthened the Tenant Scrutiny panel to provide review and challenge of our key processes

Reserves Policy

The Trust seeks to retain adequate reserves within the operation to ensure our financial resilience and sustainability, considering the obligations that we have, the future plans that we have made and the risks to delivery that we have identified in our risk register. The reserves policy sets out the target general reserves level and identifies measures to be taken to bring these reserves back within the target range, if required. It also sets out any designated reserves held and the purpose for holding these. The reserve balances are reviewed annually, informed by the business plan and the assessment of risks facing the business.

The management of funds to ensure sufficient liquidity and the protection of funds to meet our obligations, both those recognised on the balance sheet and elements provided for under our reserves policy, is a separate consideration dealt with under our investment and treasury management processes.

Restricted Reserves

The Trust from time to time receives grants or donations that might be specifically designated by the donor for a particular purpose, either in response to an appeal that we have made, or more generally by the donor's relationship with the Trust. The value of restricted reserves held as at the balance sheet date was £2.4m.

Where the Trust chooses to accept such grants or donations, it will do so on the full understanding of the terms and conditions that pertain to the grant or donation and will put steps in place to ensure that these donations are only expended as prescribed in the terms, and that any further obligations placed upon the Trust by the acceptance of such grants or donations are adhered to. Such grants and donations are separately tracked and monitored and do not form part of the general reserves at the disposal of the Trust.

Designated Reserves

The Trustees also use their powers to designate certain reserves for specific purposes, if required, to ensure that known future commitments can be met, or to recognise that certain assets cannot be freely deployed to meet particular objectives of the Trust without significant disruption to the Trust's business.

To this end the Trustees have resolved to exclude from general reserves the value of fixed assets held, net of the long-term liabilities held against these, representing assets held for the purpose of delivering our mission. These assets do not represent 'free' reserves as they are required to be maintained in order that we can continue to deliver services to our customers to deliver our aims, therefore the Trustees have designated an amount of reserves that reflect this carrying value on the Balance Sheet. The Trustees have also elected to include in designated funds the pension liability payments still required under the deficit repayment plan produced from the most recent full actuarial assessment, less the amount already provided for this liability on the balance sheet, following the pension trustees' current assessments. The value of designated reserves held as at the balance sheet date was £15.7m.

Endowment Funds

The Trust holds a small number of funds, described as endowment funds, established over time to support particular groups of beneficiaries. We seek to utilise these funds to support these beneficiaries to the extent that we are able, in line with our general objects. The value of the endowment funds held as at the balance sheet date was £424k.

General Reserves

General reserves represent the free reserves that the Trustees have at their disposal to effectively meet the objectives of the Trust. These reserves are held to seek to ensure the financial resilience and sustainability of the Trust, helping to manage risk and volatility, to insulate the organisation against the impact of future financial shocks, and to enable the Trust to react to unplanned growth opportunities should any present themselves.

The Trust has sought to evaluate the material risks and uncertainties facing the business, and the kind of financial provision that may need to be reserved to manage these risks, should they occur. We have considered activity as identified in our three-year business plan to represent an appropriate time horizon for the assessment of the level of reserves required.

It is also recognised that there is a level of general volatility in operations, and any plans to materially change provision, to exit any activity, or to manage the transition of programmes to differing funding mechanisms, inevitably takes time and involves cost, so it is prudent for the Trust to preserve funds for such eventualities also.

The Trustees have evaluated the principal financial risks facing the charity, along with an assessment of the range of potential liabilities that may arise, should these risks crystallise, and have summarised these in the table below.

General Reserves assessment

Category	Description of Risk	Estimated Financial Exposure of risk
1. **Potential Future Obligations**	Social Housing Pension Liability. There is a potential £233m claim against The Pensions Trust (TPT), the fund managers for SHPS, relating to the application of inflation rates to benefits historically. This is not reflected in the TPT valuation, and is being disputed by TPT, however it would be prudent to reserve for our share of risk to our own funds.	£377k
	Capital Investments – own funds required to be reserved to complete projects	None at present – funding plans in place to meet requirements. This could change once we have an assessment of requirements to meet net zero compliance
	SHPS liability increases following actuarial review at next triennial valuation, as of Sept 2023, expected to be known Oct 2024	£800k to £1,500k
2. **Operational challenges**	Care service delivery. Challenging operating model, risk to achieving financial improvement plan and sustainable operating model	£75k to £150k

Category	Description of Risk	Estimated Financial Exposure of risk
	Reduction in voluntary funding. Reserve needed to manage any transition to reduced funding environment	£200k
	Inflation levels significantly exceed those budgeted, adversely impacting the cost base of the organisation	£100k to £200k
	Stress testing and sensitivity of budget projections not captured above	£500k
3. Transitional arrangements	Funds required to manage transitions between contracts	none anticipated at present
4. Funding planned service shortfalls	Identification of reserves to fund future shortfalls	none required that are not already included in the budget
5. Asset valuation risk	Impairment risk of fixed assets. Realisable value may be less than in-use value for specialist assets	£1,000k
	Repayment of social housing grants, should these not be recycled effectively	£125k
	Downgrade in valuation of Investment portfolio	£1,000k to £2,000k

From this assessment the Trustees have concluded that they need to hold general reserves for risks arising from operating activities in the target range of £4.2m to £6.1m, Current general reserves stand at £7.1m, as at 31st March 2023. Given the desire to maintain a modest buffer to allow the Trust to react to unplanned growth opportunities, the continued uncertainty over inflation, particularly affecting our housing capital and maintenance expenditure, and continuing upwards wage inflationary pressures, the Trustees do not feel that any steps are required to reduce this level of reserves at this point. The level of general reserves is monitored carefully against our long-term plan to assess whether any excess is permanent or temporary in nature, and programme delivery will be structured accordingly.

Investment Policy

The Trust seeks to produce the best risk-adjusted financial returns from its financial investments. The investment objective is to maintain the real value of the assets over the long term, whilst also producing an income stream that can support the regular operations of the Trust. Investments are managed with full discretion by the Trust's investment advisers in accordance with the Statement of Investment Policy agreed with the Board. This is monitored and managed by the Joint Investment Committee, made up jointly of trustees of the Papworth Trust and the Varrier-Jones Foundation. The Trustees of the Trust set the objectives, restrictions, investment mandate and any exclusions and, via the Joint Investment Committee, monitors the performance of the investment advisers through formal review meetings. Part of this strategy seeks to diversify adequately to minimise concentration risk and to manage currencies appropriately.

Investment scope

Subject to the Environmental, Social and Governance (ESG) limitations that are set, the Trust delegates authority to the appointed fund managers to invest its funds appropriately to meet the targeted financial return and liquidity requirements agreed from time to time.

Attitude to Risk

The Trust seeks primarily to ensure that the real value of its investment funds is at least maintained, to support its reserves policy, whilst also providing a valuable unrestricted income stream to support operations. A key risk to the long-term sustainability of these funds is inflation, and the assets should be invested to mitigate this risk over the long term. The Trustees understand that this is likely to mean that the financial investments will be concentrated in real assets and that the capital value will fluctuate. The Trustees are able to tolerate short-term volatility of the capital value of the Trust's financial investment portfolio, as long as the Trust is able to preserve the underlying value in the long term. The investment portfolio is positioned to act as a fall-back source of liquidity in the unlikely event that the Trust experiences a period of operational cashflow stress.

Structure, governance and management

As a Charity, The Papworth Trust is governed by its Trustees, who are also the members of the Trust. Trustees can serve up to three terms of office of up to three years each; the arrangements for the election or appointment of Trustees are detailed in the Articles of Association.

The Trustees, who are also the Directors of the company under company law, meet quarterly to review the management of the organisation. Day-to-day management is delegated to the Chief Executive and Executive Team. Trustees also meet managers in Committees to oversee the activities of specific operations of the organisation in more detail. Membership of Committees reflects the interests and expertise of the respective Trustees. Minutes of all Committee meetings are subsequently circulated to the full Board.

The induction process for Trustees is structured to ensure they receive a comprehensive introduction to their role and to the organisation. It consists of visiting our services and meeting our customers and staff, understanding the functions of the Trust through 1:1 meetings with senior managers and reading core relevant information, guidance and legislation.

Trustees undertake mandatory training, whilst also having the opportunity to participate in a range of good practice training relating to governance, Charity Commission requirements and operational delivery. Trustees are supported by access to a dedicated section of our intranet site and by the use of board management software, keeping them updated on matters arising within the charity, as well as within the sector and our operating landscape more widely.

All Trustees, including the Chair, undertake an appraisal review, incorporating feedback from primary points of contact, in order to monitor Board effectiveness.

Trustees do not receive a salary but may claim expenses for actual costs incurred in attending meetings or otherwise fulfilling their duties. The extent of reimbursement of expenses is dealt with under note 7 below.

Conflicts of Interest

A register of Trustee and Executive Team interests is maintained, in order to be able to assess and manage any potential conflicts, and the Conflicts of Interest policy and process has also been recently revised in order to ensure alignment with current best practice.

Trustees and Executive Team members are asked to maintain the information held, and formally confirm on an annual basis the contents of the Register of Interests and also continued eligibility to serve as a Trustee of The Papworth Trust, with reference to disclosures required under company law and charity law, as well as best practice.

Trustees and Executive Team members are asked to disclose any potential conflicts of interest at the start of any Board or Committee meeting, or prior to the involvement in any project, where a conflict might exist. Any such conflict so identified is then managed in accordance with the policy.

Trustees' Liabilities

The Trust indemnifies the Trustees of the Trust against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision was in force throughout the year.

Committees

Committees take a more detailed interest in specific areas of the Trust's activities and monitor performance against key performance indicators. The terms of reference of individual committees, and of the Board, are reviewed annually to ensure continued effectiveness and compliance with good governance practice, with an external Board effectiveness review undertaken every 3 years with a light touch internal review undertaken annually. The committee structure now in operation, with key responsibilities identified, is as follows:

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee is responsible for reviewing the financial performance of the Trust and reporting this to the Board, as well as overseeing the organisation's Risk Management Framework. The Committee monitors in-year financial performance and reviews the Trust's annual accounts, recommending them to the Board for approval. The Committee receives audit reports from internal and external auditors and reviews the Trust's framework for financial controls, including consideration of the annual statement of internal controls and its compliance with current guidance. The Committee holds responsibility for the oversight of treasury management, the financial appraisal of new projects and prevention and detection of fraud.

The Committee also takes primary responsibility for ensuring that the Trust has effective risk management mechanisms in place, and periodically considers the Trust's risk register, ensuring that mitigations are effective and that any residual risk is aligned with the Trust's tolerance and appetite for risk.

Governance and Compliance Committee

The Governance and Compliance Committee oversees all matters of performance, quality and compliance of the Trust's operations, and ensures the effective ongoing governance of The Papworth Trust.

The key responsibilities of this Committee are to review performance in line with service standards and statutory, regulatory and contractual compliance, to ensure effective oversight of safeguarding and health and safety is maintained and also to ensure that we have an appropriate policy framework to govern the work of the Trust.

Strategy and Change Committee

The Strategy and Change Committee is responsible for discussing and reviewing strategy and recommending changes for the continuous improvement of services offered by the Trust. Significant changes to markets, services, re-alignment of strategy or significant new ventures and major projects are all considered by this Committee. This Committee also reviews the Trust's fundraising strategy and the scope and scale of our influencing activities, as part of the consideration of our wider strategic positioning.

Culture and Remuneration Committee

The Committee has delegated authority from the Board to approve the overall annual pay award and general reward policy for staff and to determine the remuneration of the Chief Executive and Executive Team. It also has oversight of salaries of any other staff in receipt of salaries over the Statement of Recommended Practice (the SORP) reporting threshold (currently £60,000 pa).

The Committee regularly reviews both the existing culture and progress towards the desired culture, through the benchmarking of the total reward package, market intelligence and engagement survey results, and demonstrable progress of the delivery of Equality, Diversity, Inclusion and wider workforce strategies.

Joint Investment Committee

The Joint Investment Committee oversees the management of financial market investments to assist in meeting the current and future financial needs of the Papworth Trust and the Varrier-Jones Foundation. It considers investment mandates, policies and objectives, and meets with the investment managers on a regular basis to review performance against benchmarks, and to consider the wider economic outlook.

Equality, Diversity and Inclusion

In line with our mission, we want disabled people to have their own home and live independent lives. Papworth Trust also strives to be an open and inclusive organisation, which serves all our communities and service users. We are committed to equality of opportunity for everyone who uses or provides our services.

We seek to make sure that no one will be treated less favourably because of their gender, sexual orientation, marital status, responsibilities for dependants, race, colour, nationality, ethnic origin, religious or political beliefs, age, class, disability or unrelated criminal convictions.

We expect all individuals and organisations that are involved in our activities to respect our equality and diversity policy.

Health and Safety

The Board recognises its responsibilities on all matters relating to health, safety and security, for our staff, customers and volunteers. We maintain scrutiny through best practice groups, as well as formal reporting mechanisms to management and to the Board of any health and safety issues or concerns. We will continue the monitoring of safeguarding via the Governance and Compliance Committee, and utilise the Safeguarding Best Practice Group to capture learning and feedback from our own experience, and the experience of others, to improve process and practice.

Disabled Employees

We have an Equality, Diversity and Inclusion Policy that applies to all Papworth employees. We have Equality and Diversity and Disability Awareness training as standard across the Trust. We are a Disability Confident Leader and as such have an inclusive and accessible recruitment process. We encourage applications for employment from candidates with a disability and will guarantee an interview for those who meet the minimum criteria for the job.

We continue to champion good practice under the Disability Confident scheme and actively encourage all organisations within our supply chain and wider networks to employ, support and promote disabled people. We also actively support other organisations to join the Disability Confident scheme.

One in five of our staff have a disability.

Employee Involvement

We continue to develop our staff and volunteer voice to enable them to contribute to the development and delivery of our services, reward packages and policies. We will be embedding this through our Employee & Wellbeing

Forum, colleague experience groups such as the Disabled Colleague's Group and Carers Experience Group and will focus on developing even more effective communication/feedback mechanisms.

We also continue to build on the success of our existing communication mechanisms, retaining those channels already in place, such as the weekly briefing from the Chief Executive Officer (CEO) and our newsletters and publications. We will continue to strengthen our employee engagement through activities committed to in our Culture and People plan for 2023-25.

Gender Pay Gap

A number of changes affected our Gender Pay Gap in April 2022:

We pay a sleep-in top up for our Care staff. As sleep ins have been classed as non-working time, we have included payments for these shifts in the calculations but not the hours completed. This reflects a change in our reporting methods from October 2020 and results in an increase in pay for our lower paid staff.

We introduced company sick pay for all staff in January 2021.

We have had a greater proportion of female staff contributing to our salary sacrifice pensions. As the calculations have to be made on gross pay after pension deductions for salary sacrifice this has increased the gender pay gap, particularly in the lower quartile.

The Trust is showing a positive Median pay gap of 7.7% and a Mean pay gap of 6.6%.

Customer Involvement

It is very important to us that our customers are involved and influence how we develop, design and deliver services. The Trust has local customer groups covering our centres and services that inform us of key points of issue or concern. We are a member of the National Housing Federation and adopted their Together with Tenants charter, aimed at making clear commitments for Housing Associations to be accountable and responsive to their tenants. Enhancing engagement is one of the key strands of our current Business Plan, and we are actively developing a comprehensive engagement strategy to improve the communications and feedback across the Trust.

Fundraising

The Trust is registered with the Fundraising Regulator and adheres to the guidelines of the Fundraising Code of Practice. Processes are in place to ensure that donations are utilised for the purposes for which they were given and towards the charitable objectives of the Trust. For donors and potential donors who have opted in to receiving contact by the Trust, personal details are kept in accordance with General Data Protection Regulations (GDPR).

Two small volunteer fundraising groups act on behalf of the Trust; their activity is monitored by a steering group, which includes Papworth Trust staff, and there are transparent processes in place to ensure that all donations are received by the Trust, that information relating to the Trust is accurate and that donors are not misled. In the 2022/23 financial year the Trust did not receive any complaints relating to fundraising practice.

Value for money (VfM) - Housing

Papworth Trust's mission is to support disabled people to have equality, choice and independence. As a Registered Provider of social housing we provide safe, accessible and affordable homes for our customers and we have a portfolio of specialist housing located across the East of England. We continue to focus on delivering a high quality service to our customers in the most efficient and effective way, working to improve levels of satisfaction whilst generating surpluses to assist in both the funding of our core services and provide ongoing improvements to our homes.

In presenting the value for money metrics for our housing portfolio for 2022-23, we follow the recommended reporting of the Regulator of Social Housing and have elected to use benchmark comparisons with a national small provider benchmarking group, comprising over 140 smaller social housing providers, the Small Provider Benchmark (SPBM). It should be noted, however, that whilst it is possible to find comparative organisations in terms of stock count, it is more challenging to benchmark against organisations with similar operational models, i.e. smaller providers with high levels of supported housing spread over a wide geographical area, alongside general needs housing. To support further analysis we separate out the general needs providers from similar supported housing providers to better understand our respective performance.

Achievements in 2022-23

In recent years we have focused significantly in improving how we measure asset value for money predominantly through the implementation of our strategic asset management appraisal tool. This considers the economy, efficiency and effectiveness of the individual homes and rates each home category A-C. The last 12 months has been a continuation of this work, alongside how we can ensure customer input into measuring and improving our non-financial value for money.

- **Customer Charter**

  We consulted on our customer charter that is derived from our values so that customers know what to expect from us.

- **Investment in Customer Engagement**

  We have upskilled our Tenant Scrutiny Panel to conduct reviews into areas of the housing operation. This will ensure our customer voice is active when we look at proposing changes to the service. The panel's first review was on 'reporting a repair'. Following mystery shopping, a review of our policies and intensive data analysis, the panel proposed 14 recommendations and supported us in devising a plan for improvement.

- **Customer Satisfaction**

  We have trialled the tenant satisfaction measures (TSMs) one year before the regulatory requirement to collect and publish them comes into force. Using a census survey we obtained 230 responses from customers, including quantitative feedback on our tenant's perception of whether we deliver value for money. We will be able to track how this changes over time to assess our value for money impact. We have also engaged with over 150 tenants through community events.

- **Investment in our homes**

  We have continued our long-term commitment to improve the standard of our homes in line with our 30-year plan. Against a challenging external environment in the sector, we have completed £780k worth of capital maintenance works to our housing portfolio.

- **Asset management**

  We have completed phase two of our strategic asset management review. This has involved comprehensively carrying out options appraisals of all category C homes that were identified as loss-making by our strategic asset management tool.

  Phase three will be carried out in 2023-24 including appraisals of all category B properties.

  We will also be repeating our strategic asset appraisal in 2024-25.

Value for Money Metrics (Note 27)	2022/23	2021/22	SPBM median
Reinvestment	2.7%	1.7%	3.9%
New supply delivered	1.5%	0.0%	0.0%
Gearing	17.2%	17.4%	14.6%
Interest cover	274%	322%	169%
Social Housing cost per unit	£6,403	£6,271	£5,188
Operating margin (social housing)	9.8%	8.7%	12.9%
Return on capital employed	1.2%	1.0%	1.9%

Reinvestment

Our level of reinvestment has increased by 1% from 2021-22 to 2022-23, although expenditure was down on planned levels due to continued issues with procurement associated with being a smaller social landlord, spread over a wide geographical area. We are pleased that we have agreed longer capital investment budgets to enable more efficient and value for money procurement going forward. Our spend in the last year represents significant investment on component replacements in order to improve the overall quality of our stock and we plan to continue to increase this investment further in 2023-24.

Alongside conventional component replacements, we are trialling the use of sustainable heating sources in a small number of homes and our Knutsford Road homes. This trial will be used to inform future decisions as we seek to demonstrate value for money for stakeholders in achieving carbon net-zero by 2050.

New Supply Delivered

During 2022-23 we developed 10 new units with the development of our Knutsford Road property. We will continue to identify and assess any development opportunities in future years.

Gearing

Gearing has decreased by 0.2%, our loan balance has increased by £1.0m being a drawdown of £2m from Triodos offset by loan repayments of £1.0m and increased cash held by £0.8m leading to an increase in net debt held of £0.2m. We have also seen our cost of housing properties increase by £0.9m leading to a drop in our gearing ratio.

Interest Cover

Our interest burden in the year has increased as a result of higher total interest levels as a result of significant increases to the base rates.

Headline Social Housing Cost per Unit – analysed by type

	2022/23	2021/22	SPBM
Supported housing	£7,146	£7,031	£10,943
General needs housing	£4,111	£4,119	£4,498
All housing	£6,403	£6,271	£5,188

Our overall social housing cost per unit has increased marginally from 2021-22 reflective of our ongoing investment in our homes coupled with price increases for materials and labour. This remains higher than the sector median, recognising that three quarters of our stock is supported housing. Our supported homes attract additional cost in terms of more intensive and engaging housing management and tenancy support to our core customers alongside increased maintenance costs associated with accessible housing.

We have identified that higher costs of maintenance and replacement of specialist adaptations and equipment, alongside increased service charge costs, leverage our unit cost per property. In recognising and acknowledging our higher unit cost, we are also firmly committed to providing homes that are suitably adapted to meet the needs of our customers and maximise their independence.

To understand whether the Trust delivers value for money, it is appropriate to separate the cost of providing both general needs and supported housing operations to enable more accurate benchmarking with comparable providers. When this more granular comparison is applied the cost of general needs per unit is operating at a median level.

The supported housing cost per unit has further increased toward the sector median. This is not unexpected due to the different types of supported homes provided to our customers, from homes with minimal support and few adaptations which tend to be lower cost, through to higher-cost specialised supported housing. We recognise that significant variation can exist between supported housing costs due to differences in customer group, level of adaptation and service level, and remain committed to providing a range of suitable homes to disabled people.

Operating Margin

Overall operating margin has increased in the year. Revenue has increased due to the introduction of 10 new housing units plus a 4% rent increase. Management costs have decreased due to long term vacancies however maintenance costs have increased due to increased material and labour costs.

As with the social housing cost per unit metric, it is useful to split out the operating margin of our supported and general needs housing to understand the respective operating efficiency and business health.

	2022/23	2021/22	SPBM
Supported housing	6.6%	5.1%	10.7%
General needs housing	23.3%	22.7%	18.0%
All housing	9.8%	8.7%	12.9%

Return on Capital Employed (ROCE)

The return on capital employed has increased in 2022-23, with operating margins improving against the previous year, and with an increased underlying asset valuation.

Value for Money 2023/24

We have recently published our new 2023-26 Business Plan. We remain focused on how we can continue to engage with and improve our services for disabled people at a sustainable cost that delivers value for money and improved satisfaction.

The year has not been without its challenges, however. There have been delays to some of last year's actions as we moved from the pandemic into the cost-of-living crisis.

The year ahead will not be without further challenges. As part of this we have considered some significant changes to our operating landscape, such as costs of materials, scarcity of labour and contractors, continued high inflation increases to costs alongside further regulatory restrictions on rent uplifts.

- **Value for money strategy**
  We will refresh our overall approach to value for money in 2023-24 and include all business areas

- **Centralise our customer engagement function**
  A centralised resource will enable more efficient delivery and ensure we are better equipped to share your feedback and create best practice across all our business areas
- **Net Zero**
  Develop our net zero strategy to reduce our carbon footprint and ensure we have a sustainable social housing model that takes into consideration operating costs, net zero requirements and embraces advances in technology.
- **Asset Management**
  Phase three of our strategic asset management project will be completed in 2023/24. This involves undertaking options appraisals to category B homes that are underperforming and critical to our sustainability strategic objective. It considers the economy, efficiency and effectiveness of the individual homes within our portfolio to ensure they can deliver demonstrable value for money.

  We recognise the importance of achieving net zero and our strategic assessment project includes consideration of viability to reach this.

Going Concern

The Board has assessed The Papworth Trust's current financial position and resources, future obligations and risks, together with a review of the Trust's forward business plan, to consider the future financial viability of the Trust.

We have issued a new Business Plan which considers the likely impact of future cost pressures due to high inflation and interest rates. We have also completed risk and sensitivity testing around key areas of uncertainty, and of major cash flows, within this plan and note that the Trust has sufficient reserves and working capital to support the Business Plan. The Trust also continues to have the support of the Varrier-Jones Foundation, who have confirmed their commitment to support the Trust over the next financial year.

The Board therefore considers that it has a reasonable expectation that adequate resources exist for the Trust to continue to be operational for the foreseeable future and therefore that the adoption of the going concern principle is reasonable and appropriate in producing these financial statements.

Auditors

A resolution proposing the re-appointment of RSM UK Audit LLP as auditors will be proposed at the Trustee meeting in October.

Disclosure of Information to Auditors

The directors who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Trust's auditors are unaware; and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The report of the Board of Trustees was approved by the Board, and signed on its behalf on 26 July 2023 by:

Brian Stewart OBE - Chair of Trustees

STRATEGIC REPORT

Objectives and public benefit

What we do

We offer essential support and care to disabled people. Our Mission is to help disabled people achieve equality, choice and independence. We support a wide range of disabled people, including those with physical disabilities, learning disabilities, mental ill health and sensory impairments.

We support people to live their lives to the full and be seen for who they are.

Objects

The object of the Trust is to provide relief to disabled people, including the provision of social housing, in such ways that are for the benefit of the public and charitable according to English Law.

This Object is delivered via a three-year Business Plan and annual Budgets and Departmental Plans. We carry out service reviews on a monthly basis to compare the outcomes and achievements of our work to our stated aims and objectives. The reviews look at the successes and challenges of each key activity and the benefits they have brought to those individuals and groups of people, considering any risks that emerge and any resourcing that may be required. The reviews also help to ensure that our activities remain focused on our strategic objectives.

Public Benefit

The Trustees confirm that they have regard to the Charity Commission's general guidance on public benefit whenever we review our Mission, aims and objectives and also when planning future activities, or evaluating existing ones.

We provide a benefit to the public by actively seeking to support disabled people to live their lives to the full, providing housing, employment support, care and day services as appropriate to meet the needs of our customers. We actively seek to embed our services in the wider community, recognising the benefits of an inclusive society, where everyone is seen for who they are.

We operate across the East of England and use our resources, as outlined above, to provide essential services and support, engaging with customers, commissioners and other key stakeholders to constantly evolve our offering to maximise the impact that we can achieve with the resources available.

Financial Review

Full details of our financial performance for the year ended 31 March 2023 are shown in the Statement of Comprehensive Income, Balance Sheet, Cash Flow Statement and Notes to the Accounts.

Turnover and operating surplus for 2022-23, with prior year comparisons, are shown in the table below:

	2023	2022
	£'000s	£'000s
Turnover	14,444	14,771
Operating costs	(13,250)	(13,049)
Operating surplus	1,194	1,722
Profit/(loss) on sale of fixed assets	677	(133)
Impairment of assets	(1,040)	-
Interest payable	(545)	(483)
Investment (losses)/gains	(591)	320
(Deficit)/surplus for the year	(305)	1,426

Headline income has decreased by 2%, which is principally attributable to income from Work activities and our Varrier-Jones Foundation donation declining, Work has declined by 12%, representing a £250k decline in income, Varrier-Jones Foundation donation declined by 26% in the year, representing a £455k reduction in income. Housing has seen income increase by 4%, representing a £199k increase in income. Other income has remained largely consistent across other service streams. Total operating costs have increased over the same period primarily attributable to Care and OWL activities. Care operating costs have increased by 5% (£197K) and OWL 8% (£117K). Care cost increases are a result of staffing issues seen nationally in the care sector, increasing rates and increasing the usage of agency staff; OWL is due to additional costs around changes to the service delivery model plus increased activity.

Income

- Turnover from social housing lettings has increased to £4.7m from 2021/22 increasing by 4% from £4.6m.

- Care activities saw income remain fairly static with a small increase of 1%. The key drivers are the negotiation of increased care rates from Suffolk County Council as well as a 2% one-off payment in recognition of the increased cost of care across all the providers in the County. This is being offset by the reduction in income due to the Trust no longer supporting 3 customers that were previously supported by us.
- OWL income increased by 8%, due to an increased intake of new customers post Covid and a 2% one-off payment from Suffolk County Council for our Ipswich Centre.
- Work services saw decreased turnover of 12%. The Work and Health Programme achieved better higher rate outcomes than expected, resulting in above budget income for the year, being offset by a decline in revenue from our Job Entry Targeted Support (JETS) scheme which ended in March 2023, and our Building Better Opportunities (BBO) programmes which end in June 2023.

Expenditure

- Expenditure in Care increased by 5% due to increased staff and agency costs, specifically in our Lowestoft and Ipswich operations. The Care industry has experienced national difficulties around attracting and retaining care workers, and we have experienced this impact directly. In January the Trust increased hourly rates for care workers, ahead of anticipated changes in the National Living Wage, to seek to improve the recruitment and retention of support workers.
- Housing expenditure has remined static, we have experienced price increases in materials and labour however due to material shortages we have seen delays in planned maintenance. We have also seen underspend in staff costs across maintenance and management due to delays in recruitment.
- Work services expenditure increased by 3% compared to last year. We have maintained all our programmes throughout the year with the Work and Health Programme being extended for a further 2 years. Our JETS programme ended in March 2023 and our BBO programmes are due to end in June 2023, we have therefore provided for redundancy costs relating to the ending of these contracts in the current financial year.
- Expenditure in OWL has increased by 8% as a result of additional costs relating to the change in the service delivery model as well as increased activity costs due to an increasing customer base.

- Our support functions expenditure has declined due to staff savings in business development and delays to planned maintenance on our facilities.

Balance Sheet

- The cash position has improved by £829k, with total cash held of £3.3m at the balance sheet date. This is reflective of a drawdown of £2m from our Triodos loan facility not being fully utilised in the current financial year, being offset by the development of our Knutsford Road property into 10 separate housing units.
- The improved cash position has ensured that the Trust is reporting an improved current asset position at the balance sheet date. It is recognised that the Trust has significant loan redemptions to make in future.
- The Trust actively monitors and manages cash utilisation and has prepared a long-term forecast which has been tested under stress scenarios to ensure adequate future liquidity. The Trust was ahead of its target for liquid funds at the balance sheet date.
- The current year financial statements highlight a worsening in the level of deficit for the SHPS pension scheme. The scheme has seen a decline in the fair value of plan assets greater than the decline in our present value of defined obligations. The Trust also made deficit repair contributions of £695K, and has a schedule of deficit repayment obligations running until March 2028, based upon the outcome of the last triennial valuation, which was as at 30 September 2020.

Treasury Management

The Trust's historic housing development has been financed through a combination of Social Housing Grant, long term loan facilities and surpluses generated through normal activities and through fundraising.

Treasury Management is managed by the Finance Team and overseen by the Finance, Audit and Risk Committee. It is reviewed on a regular basis, setting treasury policy in line with expected future requirements, and reviewing longer term projections to ensure adequate financing is in place to meet future liabilities. Stress testing is performed to ensure that the Trust has sufficient mitigations in place in the event of multiple events occurring that places stress on working capital. Working capital requirements are held as cash, with surplus funds being invested through the Trust's investment managers. Potential drawdowns from investments are considered as part of the Trust's financing plan to support working capital as required.

The Trust has secured a new lending facility of £3m of which it drew down £2m in the current financial year.

Loan Covenants

There are several loan covenants in place on the Trust's long-term loans, the key measures being asset cover and interest cover. Breach of covenants could result in loans becoming immediately repayable. Loan covenant tests are monitored monthly and were comfortably met for the year ended 31 March 2023.

Plans for future periods

The Trust's 2023-26 Business Plan has continued to focus on the following strategic objectives to allow us to deliver good quality homes, jobs and services that enable our customers to achieve their aspirations:

- Customer focus
- Sustainability
- Grow our impact
- External Influence

In order to achieve our strategy, we have set the following key objectives over the period:

Customer focus

We will:

- Embed a customer-focused culture based on kindness, openness and Papworth Trust Values
- Implement our customer engagement strategy to improve communication, monitor and measure its impact
- Continue to learn from our customers to shape and improve our services and offering
- Provide joined-up services for customers alongside signposting information

Expected results and outcomes:

- Building on the good work of our tenant engagement, our flexible network of customer forums will be embedded across all services, listening to our customers and shaping our offer
- Wherever customers interact with us they will receive a consistent level of service because of our customer service standards and ongoing staff training

- Gain a greater understanding of how our customers want to be communicated with and offer new tools to ensure effective and consistent communications
- Centralise our customer engagement service to allow us to be better equipped to share customer feedback and create best practises across all our services
- Ensure customers can seamlessly navigate our services as well as provide signposting to external services to help and support our customers.

Sustainability

We will:

- Invest in and develop our people, embracing equality, diversity and inclusion
- Invest in our processes, technology and management information systems to enhance our digital capability and offer
- Develop our net zero strategy to reduce our carbon footprint
- Ensure our housing strategy delivers good quality, sustainable homes
- Optimise funding and partnerships to maximise our impact.

Expected results and outcomes:

- Have a well-motivated and rewarded workforce that is mission and values-led and impact and outcomes-focused
- Ensure staff are supported to reach their full potential with effective workforce planning to deliver business decisions
- We will have investigated how customers can digitally interact with us. Electronic Care rostering and Care management software will be embedded and housing software transitioned to the cloud
- Strengthen our health and safety ethos to maintain our safe working environment
- Continue our work towards our property portfolio being sustainable for our future needs, taking into consideration operating costs, net zero requirements and embracing advances in technology.

Grow our impact

We will:

- Increase our brand awareness across the East of England
- Implement our volunteer strategy
- Develop our offering to deliver more services to more disabled people.

Expected results and outcomes:

- Existing services will continue to improve and grow to secure their future sustainability. You will see us deliver quality homes in the right geographical location, secure future funding for existing employment programmes, and continually evolve our offer to suit the labour market. We will also seek improved funding for social care and further embed our revised delivery for Opportunities Without Limits
- Increase awareness of who we are and be clear about our offer and the impact we make is critical, recognising that others also benefit from us helping us in our work
- Seek greater volunteer engagement to provide added customer value and bring expertise and experience to our teams.

External influence

We Will:

- Positively influence our local communities and national policy to meet the needs of disabled people
- Use our Disability Confident leadership status and expertise to maximise opportunities for disabled people.

Expected results and outcomes:

- New homes are developed with accessible design in mind, while employment support programmes are accessible and fully support disabled people into work
- We want to see increases in Government funding for the social care sector and fairer pay for our workforce
- Our people are collectively responsible for leveraging our work through their networks, seeking opportunities to benefit disabled people and the Trust
- A database of statistic and impact case studies is available to inform and influence key policy areas
- A further fifty organisations are supported to become Disability Confident employers
- There will be greater social interactions with Papworth Everard residents and stakeholders, further developing our relationship with them.

Principal risks and uncertainties

Management of risk is an integral part of our planning and project management processes. The Papworth Trust has adopted a formal process for approval of new projects which identifies risks and controls. Combined with the budget process, which reviews risks and controls in existing processes, and business reviews to track both systemic and emerging risks, this generates a comprehensive review of risks facing the Trust.

We maintain a risk register in which risks are documented and evaluated, so that major risks can be identified and the effectiveness of controls which mitigate these risks can be assessed and compared to the Board approved risk appetite. The system of internal control is designed to manage key risks and to provide reasonable assurance about the reliability of financial and operational information and the safeguarding of the Trust's assets and reputation. This is supported by a programme of internal audits, both financial and operational, to provide assurance to Trustees of the effectiveness of controls in operation. The Trustees have reviewed the internal controls in operation during the period and are satisfied that there are no issues leading to any material uncertainty regarding these financial statements.

The Finance, Audit and Risk Committee and the Trustee Board monitor and review our principal risks and the processes for managing them, together with the arrangements for internal and external audits and preparation of financial statements. The Governance and Compliance Committee has oversight on regulatory compliance and quality standards for our service delivery, and monitors risks against these.

The critical risks and uncertainties have been identified, and are documented in the table below, along with mitigation strategies in place to address the potential impact of any risk materialising.

Key risk	Responses to the risk
Macro-economic challenges Rising inflation and interest rates, coupled with downward pressure on public sector finances and failure to adequately fund public services may cause us to not be able to fund the service adequately to deliver a safe and sustainable service	• Careful consideration of the mix of fixed versus floating interest rate borrowing • Active tracking and monitoring of national policy and local markets with pro-active steps taken to preserve workforce levels • Close engagement and partnering with commissioners, with active negotiation on scope, scale and value of service delivery • Effective renegotiation of contracts

Key risk	Responses to the risk
Staff recruitment challenges Inability to recruit and retain a diverse and appropriately skilled staff cohort who are innovative and support our values, at an affordable rate to meet existing and future organisational needs. Loss of a key member of staff.	• Extensive benchmarking exercise conducted to re-align reward packages, where appropriate • Greater focus on well-being • Development pathways opened up for staff with potential to grow with the organisation • Succession plans and business continuity plans established to mitigate any single key person / function dependency
Breach of data security Increased use of digital channels risks breaches of data or security, putting customers, staff, volunteers and the organisation at risk.	• Clear, regularly reviewed organisational policies • Mandatory training requirements in place • Achieved Cyber Essentials accreditation. • Reviewing data governance, management and protection, drafting improved policies and practices, supported by the establishment of a data governance working group. • Testing of Business Continuity, including regular penetration testing, with agreed actions monitored by the Executive Team
External environment continues to drive up costs to maintain our housing stock Need to invest to improve decency and thermal efficiency of our housing, and to meet 2050 net zero targets, may be challenging to finance, caused by lack of cash generation in the business, plus cost uncertainties, and may lead to tenant complaints and / or intervention by the regulator	• Long-term financing plan, informed by condition surveys and asset management reviews • Regular stress testing of our financing plans • 3 year capital procurement programme set • Impact assessments conducted for all poorly performing stock and appraisals / action plans being developed
Climate change impacts potentially affecting asset valuations and restitution costs Flooding / subsidence risks / global warming brings increased financial pressures	• Maintain effective insurance and build reserves to insulate organisation against potential costs

Key risk	Responses to the risk
Breach of regulations The Trust works with vulnerable people in a number of highly regulated environments. A breach of regulations could lead to a downgrade of assessment and / or significant reputational damage. Though the likelihood is low, the impact could be very high. Health and Safety regulation breach	• Deployed a risk-based Assurance Framework, with focus on highly regulated areas such as Care prioritised • Review and ongoing strengthening of our self-assessment model to create greater local accountability, as well as independent scrutiny • Effective reporting, safeguarding and whistle-blowing policies and procedures in place, as part of a structured policy register, with scheduled review points
Planned asset disposals not achieved. Challenging development landscape leads to failure to achieve planned asset disposals, deliver the capital programme and capital developments and may result in insufficient cash to meet liabilities, resulting in loan covenant / overdraft breach	• Asset disposals are planned with significant lead time in order to ensure funds are generated at value • Further loan finance facility already in place to mitigate likelihood and impact • Regular stress testing of our financing plans and robust liquidity contingency planning • Working with experts and Partners to optimise development / disposal opportunities
Defined Benefit pension liability increases significantly Actuarial assumptions made, and asset valuation volatility, gives rise to considerable uncertainty of future valuations and deficit contributions	• Active use of accounting tool to track liability • Provision of reserves to seek to mitigate impact of any changes in valuation experienced • Completion of cash flow stress-testing analysis and liquidity contingency planning
Social Housing Pension Scheme benefits review Additional financial liabilities accrue to the Trust as a consequence of the SHPS Benefit Review case being 'lost' could result in our financing plans being inadequate	• Engagement with The Pensions Trust, who administer the scheme, to track and evaluate, and participation in member engagement process

Key risk	Responses to the risk
Value of investment portfolio significantly decreases Material devaluation in investment portfolio or reserves and/or decline in returns and asset values due to challenging world economic environment	• Funds placed in a suitably diversified portfolio, managed by qualified investment managers • Scrutiny by the Joint Investment Committee, including active consideration of the mandate for geographic base, sterling weighting, investment type and Environmental, Social and Governance considerations • Careful consideration of the appropriate risk tolerance for our investment portfolio
Significant reduction in voluntary income leading to an inability to maintain services or support functions	• Regular review of reserves and cash flow scenarios undertaken to stress-test • Seek to secure a longer-term agreement on the level of recurrent financing from VJF in order to provide stability, adjusting commitments accordingly. • Seek to build alternative sources of unrestricted funding to maintain flexibility

The Trustees recognise that achieving maximum impact for disabled people does involve risk, but believe that the frameworks in place, and the measures outlined above to manage and monitor these risks, best position the organisation to achieve meaningful and long-lasting results. The Trustees will continue to monitor the external landscape, both short and long term, to ensure charitable funds are appropriately safeguarded and effective delivery maintained within the governance and regulatory landscapes in which we work.

The Strategic Report was approved by the Board and signed on its behalf on 26 July 2023 by:

Brian Stewart OBE
Chair of Trustees

Statement of the Board of Trustees' responsibilities in respect of the Board of Trustees' Annual Report and the financial statements

The Trustees are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of the surplus or deficit for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PAPWORTH TRUST

Opinion

We have audited the financial statements of The Papworth Trust for the year ended 31 March 2023 which comprise Statement of comprehensive income and statement of changes in reserves, the Balance sheet, the Cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of the income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, Charities Act 2011, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inquiring of management whether the company is in compliance with these laws and regulations and inspecting any correspondence with external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are Health and Safety at Work Act 1974 and Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards). We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations and inspecting any correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls and completeness of revenue streams as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and any transactions entered into outside the normal course of business and performing tests of detail on revenue recognised in the year and subsequent to the year end.

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

Use of our report

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

RSM UK Audit LLP

Laragh Jeanroy (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB
Date 9 August 2023

Statement of Comprehensive Income

	Note	2023 £'000s	2022 £'000s
Turnover	3	14,444	14,771
Operating costs	3	(13,250)	(13,049)
Operating surplus		1,194	1,722
Profit/(loss) on disposal of tangible fixed assets	8	677	(133)
Impairment of Assets	10	(1,040)	-
Interest payable and similar charges	9	(545)	(483)
(Losses)/gains on investments		(591)	320
(Deficit)/surplus for the year		(305)	1,426
Movement in defined benefit pension scheme	22	(835)	2,124
Total Comprehensive income		(1,140)	3,550

The accounts relate to continuing operations. The notes on pages 42 to 79 form part of these financial statements.

Statement of Changes in Reserves

	2023 £'000s	2022 £'000s
Balance at 1 April	26,682	23,132
(Deficit)/surplus for the year	(305)	1,426
(Increase)/decrease in Defined Benefit Pension liability	(835)	2,124
Balance at 31 March	25,542	26,682

Balance Sheet	Notes	2023		2022	
			£'000s		£'000s
Fixed Assets					
Housing Properties	10		37,429		37,814
Other Fixed Assets	11		2,682		2,833
Investments	12		9,358		9,932
Endowment Fund Assets	13		424		428
Total fixed assets			49,893		51,007
Current Assets					
Assets held for disposal	14		137		137
Debtors - amounts falling due within one year	15		1,129		1,375
Cash and cash equivalents			3,254		2,425
			4,520		3,937
Creditors:					
Amounts falling due within one year	16		(3,508)		(3,654)
Net current assets/ (liabilities)			1,012		283
Total assets less current liabilities			50,905		51,290
Creditors:					
Amounts falling due after more than one year	17-18		(22,498)		(21,924)
Provisions for liabilities and charges					
Pension liabilities	22		(2,662)		(2,463)
Other Provisions	21		(203)		(221)
Net assets			25,542		26,682
Reserves					
Restricted Reserves			2,352		2,525
Endowment Funds Reserves			424		428
Unrestricted Reserves:					
Designated Reserves		15,662		17,283	
General Reserves		7,104		6,446	
Total Unrestricted reserves			22,766		23,729
Total Reserves	25		25,542		26,682

These Financial Statements were approved by the Board, and signed on the Board's behalf on 26 July 2023 by:

B Stewart
Trustee

M Anderson
Trustee

The notes on pages 42 to 79 form part of these financial statements.

Cash Flow Statement

	2023 £'000s	2022 £'000s
Cash flows from operating activities		
Operating surplus	1,194	1,722
Adjustment for:		
Remeasurement of pensions liability	(59)	(106)
Depreciation	1,192	1,452
Impairment charge	-	-
Amortisation of grants	(368)	(370)
Decrease/(increase) in trade and other debtors	246	(193)
(Decrease)/increase in trade and other creditors	(214)	350
Pensions deficit payments made	(684)	(512)
Net cash inflow	1,307	2,343
Interest paid	(468)	(377)
Cash flows from investing activities		
Proceeds from disposal of fixed assets	695	298
Acquisition of tangible fixed assets	(1,697)	(1,065)
Net cash (outflow) from investing activities	(1,002)	(767)
Cash flows from financing activities	2,000	-
Repayment of borrowing	(1,008)	(969)
Net cash outflow from financing activities	992	(969)
Net Increase in cash	829	230
Cash and cash equivalents at 1 April	2,425	2,195
Cash and cash equivalents at 31 March	3,254	2,425

The notes on pages 42 to 79 form part of these financial statements.

Notes to the financial statements

1. Legal Status

The Trust is a registered charity and an incorporated Company limited by guarantee. The Trust is also registered with the Regulator of Social Housing. The principal objective of the Trust is to provide essential care and support to disabled people, which it does through providing essential services including social housing. The Trusts' Registered office is at 1 Saxongate, Bradbury Place, Huntingdon, PE29 3RR.

2. Accounting Policies

These financial statements are prepared in accordance with the Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland ("FRS 102").

The financial statements are also prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2018 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

2.1 Basis of accounting

The financial statements are prepared on the historical cost basis except for the revaluation of investments to fair market value.

2.2 Going concern

The Board has assessed the Trust's financial performance and resources having regard to the 2023-24 budget and three-year business plan. As a consequence, the Board believes that the Trust is well positioned to manage business risks and expects to have adequate resources to operate for the foreseeable future. The Board therefore continues to adopt the going concern basis in the preparation of these financial statements.

2.3 Turnover

Turnover represents the income derived from the provision of the Trust's activities, comprising the sale of goods and services, property rental income net of voids, amortisation of Social Housing Grant, revenue grants, donation from the Varrier-Jones Foundation, charitable gifts and dividend Income received.

Rental income is recognised from the point when it becomes due. Income for service delivery is recognised when services have been delivered. Income from grants are recognised when the conditions of the grant have been met. Income from investments is recognised when received.

2.4 Expenses

Cost of sales

Cost of sales represents the direct costs and overheads involved in providing social housing and other charitable activities.

Operating costs

Operating costs represent the support and premises costs that enable the Trust to provide social housing and other charitable activities.

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the Statement of Comprehensive Income account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred in the period to which they relate.

Interest payable

Interest payable and similar charges are charged to the Statement of Comprehensive Income account when incurred.

2.5 Tangible fixed assets – housing properties

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs, and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated differently to buildings.

2.6 Depreciation – housing properties

Depreciation is charged to the Statement of Comprehensive Income account on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. No depreciation is charged on housing properties or components under construction. The estimated useful lives are as follows:

Structure	50-80 years
Roof	50 years
Electrical installation	40 years
Windows and doors	30 years
Heating (excluding boilers), plumbing and ventilation	30 years
Bathrooms	20 years
Boilers	15 years
Kitchens	15 years
Flooring	10 years

Depreciation methods, rates and residual values are reviewed if there is an indication of a significant change in the expectation of typical useful lives of asset groups.

2.7 Non-component works to existing properties

The amount of expenditure incurred which relates to an improvement, which is defined as an increase in the net rental stream of the life of a property, is capitalised. Expenditure incurred on other major repairs, cyclical and day-to-day repairs and maintenance to housing properties is charged to the income and expenditure account in the period incurred.

2.8 Other fixed assets

Other tangible fixed assets include those with an individual value at cost in excess of £1,000.

Depreciation is charged to the Statement of Comprehensive Income account on a straight-line basis over their estimated useful lives. Freehold land is not depreciated. The estimated useful lives are as follows:

Freehold buildings (non-housing)	50 years
Leasehold improvements	over the life of the lease
Motor vehicles	4-6 years
Plant, machinery and fixtures	3-15 years
Office equipment	5-10 years

2.9 Properties held for sale and work in progress

Assets under construction are held at cost within the relevant category of fixed assets and are not depreciated until the asset is in use.

Properties held for sale are recognised at the lower of depreciated cost and net realisable value. They are classified as current assets when the Trust deems disposal probable within the next twelve months. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

2.10 Basic financial instruments

Trade and other debtors, including tenant arrears; trade and other creditors

These are recognised initially at transaction value less attributable transaction cost. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction cost. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.11 Impairment

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, the impairment is calculated as the difference between its' carrying amount and the best estimate of the amount that the Trust would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the Statement of Comprehensive Income.

2.12 Social Housing Grant

Social Housing Grant ("SHG") is initially recognised at fair value as a long-term liability, specifically as deferred grant income and released through the income and expenditure as turnover income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated SHG are transferred to either the recycled capital grant fund or the disposal proceeds fund until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

2.13 Investment assets

Investments are carried at mid-market value as at the balance sheet date. Movements in asset valuations are recorded in the statement of comprehensive income.

2.14 Retirement benefits

The Company participated in one defined benefit pension scheme, the Social Housing Pension Scheme (SHPS), although the Company closed the scheme to further accrual in 2019. SHPS is a multi-employer scheme which provides benefits to non-associated employers. The scheme is classified as a defined benefit scheme. Associated assets and liabilities are allocated to each employer for accounting purposes. The net defined benefit liability represents the present value of the defined benefit obligation minus the fair value of plan assets out of which obligations are to be settled.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020.

Gains/Losses

Gains or losses recognised in the Statement of Comprehensive Income account are as follows:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.

- Net interest on the net defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.

Gains or losses recognised in other comprehensive income are as follows

- Any actuarial gains and losses,
- The difference between the interest income on the plan assets and the actual return on the plan assets.

2.15 Termination benefits

Termination benefits are recognised as an expense when the Trust is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Trust has made an offer of voluntary redundancy, it is likely that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

2.16 Provisions

A provision is recognised in the balance sheet when the Trust has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

2.17 Service charges

Service charge income and costs are recognised on an accrual basis. The Trust applies service charges where applicable to schemes, ordinarily on a fixed basis, in consultation with residents. The budgets are set annually, informed by past costs and future planned activity. Any balances remaining are held as creditors or debtors in the Balance Sheet until such time as all costs are recognised. Where periodic expenditure is required a provision may be built up over the years, in consultation with the residents. Until these costs are incurred, this liability is held in the Balance Sheet within creditors.

2.18 VAT

The Company is partially exempt for Value Added Tax (VAT). The financial statements include VAT to the extent that it is suffered by the Trust and not recoverable from HM Revenue and Customs.

2.19 Taxation

As a registered charity, the Trust is exempt from UK corporation tax to the extent that incomes or other gains are applied exclusively for charitable purposes. Corporation tax on any income or gains that do not meet the criteria for exemption would be included on the income and expenditure report.

2.20 Reserves

Restricted reserves

Restricted reserves represent unspent funds received for specific purposes from external funders. Restricted funds are only expendable in relation to the purposes for which they were received.

Endowment funds

Endowment funds are held where the funds are part of either an expendable or permanent endowment fund. Endowment funds are only expendable in relation to the purposes for which they were received.

Designated reserves

Designated reserves are reserves that have been identified for specific purposes by the Trustees.

General reserves

General reserves are held at a level appropriate for working capital and contingency and are reviewed annually by the Board.

2.21 Accounting estimates and judgements

In producing these financial statements, the Trust has made estimates and judgements that it feels give a true and fair view. Accounting policies and judgements are assessed against current accounting standards, industry practice and market conditions, and reviewed annually for appropriateness.

Impairment

Housing stocks are assessed for impairment when an indicator of impairment is noted. Carrying values are considered to ensure that they are not greater than net present value, calculated using a discounted cash flow basis for housing stock that is in use. Where housing properties are not in use the net realisable value is calculated with reference to the potential sales value of the property.

Bad Debt

Provisions are made for bad debts when there is deemed to be significant risk to recovery. For tenant arrears, bad debt provision is made in all instances for former tenants unless a clear recovery plan is in place. For existing tenants, consideration for provision will be made based on the ageing profile of the debt.

For other debtors, provision will be considered for transactions that are over three months overdue, with consideration being made for each debt based on the customer profile and the type of debt.

Defined benefit pension

Accounting estimates are made for the defined benefit pension scheme SHPS. Critical estimates are made by Management, following advice from the Trust's pension's advisors.

3 Social Housing and other activities	2023 General Needs £'000s	2023 Supported Housing £'000s	2023 Total £'000s	2022 Total £'000s
Rent receivable (net of service charges)	927	2,781	3,708	3,555
Profit on disposal social housing assets	-	-	-	-
Service charges	-	1,044	1,044	998
Net rents receivable	927	3,825	4,752	4,553
Other income	-	-	-	-
Total income from lettings	927	3,825	4,752	4,553
Expenditure on letting activities				
Management	(212)	(578)	(790)	(931)
Services	(7)	(301)	(308)	(271)
Routine maintenance	(278)	(1,576)	(1,854)	(1,624)
Planned maintenance	(21)	(60)	(81)	(124)
Bad debts	-	(1)	(1)	(4)
Depreciation of housing properties	(188)	(1,042)	(1,230)	(1,188)
Depreciation of other housing assets	(5)	(15)	(20)	(16)
Total expenditure on lettings	(711)	(3,573)	(4,284)	(4,158)
Operating surplus on lettings	216	252	468	395
Void Losses (included within the above)	(39)	(89)	(128)	(99)

3 Social housing and other activities continued

	2023			
	Turnover	Cost of sales / delivery	Operating Costs	Operating Surplus
	£'000s	£'000s	£'000s	£'000s
Social housing lettings				
General needs	927	(406)	(305)	216
Supported housing	3,825	(2,709)	(864)	252
	4,752	(3,115)	(1,169)	468
Other social housing activities				
Other housing activities	1	(116)	-	(115)
Amortised grant Income	368	-	-	368
	369	(116)	-	253
Non-social housing activities				
Work services	1,776	(2,012)	-	(236)
Care services	4,096	(4,572)	-	(476)
Opportunities Without Limits	1,445	(1,510)	-	(65)
Policy & Communications	-	-	(117)	(117)
Business Development	-	-	(46)	(46)
Varrier-Jones Foundation donation	1,300	-	-	1,300
Fundraising	242	(104)	-	138
Enabling Services (Management, Finance, IT, HR and Facilities)	212	-	(417)	(205)
Investment income	252	(42)	-	210
Re-measurement of defined benefit pension liability	-	-	(30)	(30)
	9,323	(8,240)	(610)	473
Total social housing and non-housing activity surplus/(deficit)	**14,444**	**(11,471)**	**(1,779)**	**1,194**
Gain/ (loss) on disposal of assets				677
Asset impairment				(1,040)
Interest payable				(545)
(Loss) on investments				(591)
(Deficit) for year				**(305)**

3 Social housing and other activities *continued*

	2022			
	Turnover	Cost of sales / delivery	Operating Costs	Operating Surplus
	£'000s	£'000s	£'000s	£'000s
Social housing lettings				
General needs	922	(441)	(272)	209
Supported housing	3,631	(2,673)	(772)	186
	4,553	(3,114)	(1,044)	395
Other social housing activities				
Other housing income	23	(108)	-	(85)
Amortised grant Income	370	-	-	370
	393	(108)	-	285
Non-social housing activities				
Work services	2,026	(1,954)	-	72
Care services	4,039	(4,371)	-	(332)
Opportunities Without Limits	1,337	(1.393)	-	(56)
Policy & Communications	-	-	(99)	(99)
Business Development	-		(127)	(127)
Fundraising	1,755	-	-	1,755
Varrier-Jones Foundation donation	251	(213)	-	38
Enabling Services (Management, Finance, IT, HR and Facilities)	175	-	(552)	(377)
Investment income	242	(44)	-	198
Re-measurement of defined benefit pension liability	-	-	(30)	(30)
	9,825	(7,975)	(808)	1,042
Total social housing and non-housing activity surplus/(deficit)	**14,771**	**(11,197)**	**(1,852)**	**1,722**
Gain on disposal of assets				(133)
Interest payable				(483)
Gain on investments				320
Surplus for year				**1,426**

4 Housing Stock

	General Needs Housing (units)	Supported Housing (units)	2023 Total (units)	2022 (units)
Number of units	173	500	673	663
Owned and managed	173	496	669	659
Managed on behalf of others	-	4	4	4
	173	500	673	663

5 Expenses and auditor's remuneration

	2023 £'000s	2022 £'000s
Included in the Statement of Comprehensive Income account are the following:		
Depreciation on housing properties	1,230	1,187
Loss on replacement of component assets	16	66
Impairment of housing properties	1,040	-
Depreciation on other fixed assets	246	264
(Profit)/loss on sale of other fixed assets	(677)	67
Costs of operating leases	83	93
Auditor's remuneration:		
Audit of these financial statements	32	28
	32	28

6 Staff and employee costs

	2023	2022
Staff costs	£'000s	£'000s
Wages and salaries	6,529	6,618
Social security costs	588	578
Pension costs	204	209
	7,321	7,405

	2023 Number	2022 Number
The average number of persons employed by the Trust (including directors) during the year was as follows:		
Average headcount	250	249
Average full-time equivalent employees	221	220

At 31 March 2023 outstanding pensions contributions were £nil (2022: £1,000).

Salary banding for all employees earning over £60,000 (including salaries, performance related pay and benefits in kind but excluding pension contributions paid by the employer and any termination costs paid).

	2023	2022
Bands		
£60,000- £70,000	2	2
£70,001-£80,000	1	1
£80,001-£90,000	-	1
£90,001- £100,000	2	1
£100,001-£110,000	-	-
£110,001- £120,000	1	1

7 Board members and Executive Directors

The Directors, for this note, are defined as the Trustee members of the Board, the Chief Executive and the Executive Team. The Directors in Company Law are the Trustees. Trustee roles are unremunerated.

	2023 £'000s	2022 £'000s
Aggregate emoluments paid to Directors	383	425
Pension	36	43
	419	468
Total emoluments paid to the highest paid Director	116	112
Total number of paid Directors	4	4
Number of Directors in the defined benefit pension scheme	-	-

In addition to the above the highest paid director received pension contributions of £12k (2022: £11k).

During the year no consideration was paid to Trustees for performing their roles (2022: Nil). In the year out of pocket expenses totalling £1,005 (2022: £769) were paid to members of the Board.

8 Profit on disposal of tangible fixed assets

	2023 £'000s	2022 £'000s
Proceeds from sale of assets	695	98
Cost of disposals	(18)	(231)
	677	(133)

During the year the Trust sold premises in Papworth Everard, resulting in a book profit of £695,000. Other losses reflect the write down of component assets that were not fully depreciated at the time of replacement.

9 Interest payable and similar charges

	2023 £'000s	2022 £'000s
Interest payable on financial liabilities	486	377
Interest payable on the unwinding of the net pension deficit liability	59	106
	545	483

10 Housing properties	General Needs £'000s	Supporting living £'000s	Capital work in progress £'000s	Total £'000s
Cost				
Balance at 1 April 2022	7,366	50,661	210	58,237
Acquisitions	220	1,637	(210)	1,647
Allocation of work in progress	50	160	39	249
Disposals	(20)	(68)	-	(88)
Balance at 31 March 2023	7,616	52,390	39	60,045
Depreciation				
Balance at 1 April 2022	3,319	17,105	-	20,424
Depreciation charge for year	188	1,037	-	1,225
Impairment of Assets	-	1,040	-	1,040
Disposals	(13)	(60)	-	(73)
Balance at 31 March 2023	3,494	19,122	-	22,616
Net book value				
At 31 March 2023	4,122	33,268	39	37,429
At 31 March 2022	4,047	33,556	211	37,814

Upon completion of our Knutsford Road development the Trust commissioned Jones Lang LaSalle Ltd to provide a valuation in relation to the 10 new units. The valuation was prepared on the basis of Existing Use Value for Social Housing and the units were valued at £1.04m less than the book value, giving rise to an impairment charge in the current financial year.

11 Other fixed assets

	Land & Buildings £'000s	Motor Vehicles £'000s	IT Assets £'000s	Other Fixed Assets £'000s	Total £'000s
Cost					
Balance at 1 April 2022	5,497	287	318	266	6,368
Acquisitions	64	18	21	-	103
Disposals		(13)	(201)	-	(214)
Balance at 31 March 2023	5,561	292	138	266	6,257
Depreciation					
Balance at 1 April 2022	2,809	200	290	236	3,535
Depreciation charge for year	189	37	18	6	250
Disposals		(13)	(197)	-	(210)
Balance at 31 March 2023	2,998	224	111	242	3,575
Net book value					
At 31 March 2023	2,563	68	27	24	2,682
At 31 March 2022	2,688	87	28	30	2,833

12 Investments

Market Value

	2023	2022
	£'000s	£'000s
At 1 April	9,932	9,605
Additions	3,649	3,019
Disposals	(3,701)	(3,273)
Realised gains	393	749
Unrealised (losses)	(915)	(428)
Unrealised & other movements	-	260
Market Value at 31 March	9,358	9,932

Historical cost of assets

	2023	2022
	£'000s	£'000s
Historical cost of assets	8,898	8,698
Unrealised gains	460	1,234
Market Value at 31 March	9,358	9,932

Held as follows:

	2023	2022
	£'000s	£'000s
Cash & cash equivalents	274	327
Fixed Income	1,576	1,045
UK Equities	1,779	2,120
Global Equities	4,400	4,866
Alternative Investments	1,329	1,574
Market Value at 31 March	9,358	9,932

13 Endowment Fund Assets

	2023	2022
	£'000s	£'000s
Cash	162	159
Investments	106	112
Property	156	157
	424	428

14 Properties Held for Disposal

	2022 £'000s	2021 £'000s
Commercial property	137	137
	137	137

At the Balance Sheet date one of the Trust's commercial premises was being actively marketed for sale in Ipswich, following its closure as an operational facility in 2019. This has been sold post Balance Sheet date. There are also a number of surplus assets, with little or no carrying value, within the village of Papworth Everard for which disposal is being sought.

15 Debtors

	2023 £'000s	2022 £'000s
Trade debtors	578	559
Prepayments and accrued income	414	724
Tenant arrears	125	61
Other debtors	12	31
	1,129	1,375

Tenant Arrears:

	2022 £'000	2022 £'000
Current tenant arrears	125	61
- less provision for bad and doubtful debts	-	-
Former tenant arrears	58	50
- less provision for bad and doubtful debts	(58)	(50)
	125	61

Former tenant arrears relate to individuals who no longer occupy premises owned by the Trust.

16 Creditors: amounts falling due within one year

	2023	2022
	£'000s	£'000s
Loans (note 19)	1,028	978
Trade creditors	412	397
Other taxation and social security	161	190
Other creditors	842	841
Rents received in advance	150	157
Accruals and deferred income	790	971
Recycled capital grants fund	125	120
	3,508	3,654

17 Creditors: amounts falling due after more than one year

	2023	2022
	£'000s	£'000s
Loans (note 19)	12,546	11,604
Deferred grant income	9,952	10,320
	22,498	21,924

Deferred grant income

	2023	2022
	£'000s	£'000s
Recycled capital grants fund	125	120
Social Housing Grants	9,929	10,293
Other grants	23	27
	10,077	10,440
Amounts falling due within one year	125	120
Amounts falling due after more than one year	9,952	10,320
	10,077	10,440

18 Social Housing Grants

Housing Grants due after one year

	2023	2022
	£'000s	£'000s
Cost		
Cost at 1 April	19,434	19,434
Additions/ disposals in year	-	-
Cost at 31 March	19,434	19,434
Amortisation		
Amortisation at 1 April	9,114	8,744
Amortisation income in year	368	370
Amortisation at 31 March	9,482	9,114
Deferred Grant income	9,952	10,320

Recycled Capital Grant Fund

	2023	2022
	£'000s	£'000s
At 1 April	120	402
Utilised in the year	-	-
Disposed of in year	-	(283)
Interest Credited to the fund	5	1
At 31 March	125	120
Due within one year	125	120
Due after more than one year	-	-
	125	120

Of the above balance £125,000 (2022: £120,000) relates to grants that were recycled over three years previously from the date of these financial statements; there are plans to recycle these grants in the 2023/24 financial year on new developments.

19 Loans and borrowings

All loans and borrowings are measured at amortised cost.

Secured bank loans are secured by way of a first fixed charge over specified housing properties and include an asset cover test based on the ratio of the value of properties secured to the carrying value of the loan. Secured bank loans include interest cover and gearing covenants each of which is tested annually against relevant disclosures within the Statement of Comprehensive Income and the Balance Sheet of the financial statements.

	2023 £'000s	2022 £'000s
Secured bank loans		
Due within one year	1,028	978
Due between one and two years	1,016	1,029
Due between two and five years	3,287	3,353
Due in greater than five years	8,243	7,223
	13,574	12,583

Outstanding Loans by Lender

	2023 £'000s	2022 £'000s
Orchard Brook	428	447
Lloyds	2,638	2,762
National Westminister Bank Plc	4,508	5,124
Barclays	4,000	4,250
Triodos	2,000	-
	13,574	12,583

19 Loans and borrowings continued

A loan from Orchard Brook Limited of £428,000 is repayable by 2034 at a fixed rate of interest of 11.47% secured by specific charges on various Papworth Trust housing properties and repayable in bi-annual instalments.

Interest rate	End of fixed rate period	£'000s
Fixed 11.47%	December 2034	428

A loan from Lloyds Bank plc of £2.64 million is secured by way of fixed charges over certain properties owned by Papworth Trust. Outstanding balances are as follows:

Interest rate	End of fixed rate period	£'000s
Fixed 3.91%	December 2039	1,832
Fixed 2.68%	December 2039	806

The National Westminister Bank Plc loan is part of an original £10 million facility secured by way of fixed charges on certain properties owned by Papworth Trust. Total outstanding loans of £4.5m are held as of 31 March 2023 and details are as follows:

Interest rate	End of fixed rate period	£'000s
Fixed 7.09%	September 2024	196
Fixed 6.97%	November 2024	86
Fixed 4.57%	July 2026	400
Fixed 4.74%	February 2027	1,000
Fixed 3.61%	March 2027	900
Variable 4.55%		1,926

The Barclays Bank plc loan is part of a £5 million facility and is secured by way of fixed charges over certain properties owned by Papworth Trust. Capital redemptions of £250,000 are due annually in July for a period of twenty years beginning July 2019. Details are as follows:

Interest rate	End of fixed rate period	£000
Fixed 3.43%	July 2038	1,600
Variable 4.49%		2,400

A loan from Triodos Bank UK Limited of £2,000,000 is repayable by 2047 at a fixed rate of interest of 4.39% secured by specific charges on various Papworth Trust housing properties and repayable in bi-annual instalments.

Interest rate	End of fixed rate period	£'000s
Fixed 4.39%	July 2027	2,000

20 Analysis of Net Debt

	2023 £'000s	2022 £'000s
Net debt at 1 April	10,158	11,357
Cash flows in period	(829)	(230)
Loan borrowings	2,000	-
Repayment of borrowing	(1,008)	(969)
Balance at 31 March	10,321	10,158
Net debt made up as follows:		
Loans due in less than one year	1,028	978
Loans due in more than one year	12,546	11,605
Cash held	(3,253)	(2,425)
Net debt held	10,321	10,158

21 Other Provisions

	2023 £'000s	2022 £'000s
Balance at 1 April	221	206
Provisions made during the year	17	69
Provisions used during the year	(17)	(54)
Balance at 31 March	221	221

Provisions held relate to expected future dilapidations works required on a leasehold property upon termination of the lease. The lease expired in March 2020 and is currently rolling whilst a strategic review is undertaken as to the future use of these premises by the Trust.

22 Defined Pension Benefit Liability

The company participates in the SHPS scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK.

Present Values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Liability

	31 March 2023 £'000s	31 March 2022 £'000s
Fair value of plan assets	12,904	20,042
Present value of defined benefit obligation	(15,566)	(22,505)
Defined benefit (liability) to be recognised	(2,662)	(2,463)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	31 March 2022 £'000s	31 March 2022 £'000s
Defined benefit obligation at 1 April	22,505	23,198
Current service cost	-	-
Expenses	25	22
Interest expense	622	509
Member contributions	-	-
Actuarial losses / (gains) due to scheme experience	54	1,258
Actuarial (gains) / losses due to changes in demographic assumptions	(36)	(353)
Actuarial (gains) / losses due to changes in financial assumptions	(7,212)	(1,788)
Benefits and expenses paid	(392)	(341)
Defined benefit obligation at 31 March	15,566	22,505

22 Defined Benefit Pension continued

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	31 March 2023 £'000s	31 March 2022 £'000s
Fair value of plan assets at 1 April	20,042	18,226
Interest income	563	403
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(8,029)	1,241
Contributions by employer	720	513
Contributions by plan participants	-	-
Benefits paid and expenses	(392)	(341)
Fair value of plan assets at 31 March	12,904	20,042

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2023 was £(7,466,000) (2022: £1,644,000).

Defined Benefit Costs Recognised in Statement of Comprehensive Income (SoCI)

	31 March 2023 £'000s	31 March 2022 £'000s
Expenses	25	22
Net interest expense	59	106
Defined benefit costs to be recognised	84	128

22 Employee Benefits continued

Defined Benefit Costs Recognised in the Statement of Changes in Reserves

	31 March 2023 £'000s	31 March 2022 £'000s
Experience on plan assets (excluding amounts included in net interest cost)	(8,029)	1,241
Experience gains and losses arising on the plan liabilities	(54)	(1,258)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	36	353
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	7,212	1,788
	(835)	2,124

Plan Assets

	31 March 2023 £'000s	31 March 2022 £'000s
Global equity	241	3,846
Absolute return	140	804
Distressed opportunities	391	717
Credit relative value	487	666
Alternative risk premia	24	661
Fund of hedge funds	-	-
Emerging markets debt	69	583
Risk sharing	950	660
Insurance- linked securities	326	467
Property	555	541
Infrastructure	1,474	1,428
Private debt	574	514
Opportunistic Illiquid Credit	552	673
High Yield	45	173
Opportunistic Credit	1	71
Cash	93	68
Corporate Bond Fund	-	1,337
Liquid credit	-	-
Long lease property	389	516
Secured income	592	747
Liability driven investment	5,943	5,592
Currency Hedging	25	(78)
Current assets	33	56
	12,904	20,042

22 Employee Benefits continued

Key Assumptions

	31 March 2023 % per annum	31 March 2022 % per annum
Discount rate	4.85	2.79
Inflation (RPI)	3.18	3.51
Inflation (CPI)	2.78	3.16
Salary Growth	3.78	4.16
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March based on life expectancy at 65 years are as follows:

	31 March 2022 Life expectancy (years)	31 March 2022 Life expectancy (years)
Male retiring in 2023	21.0	21.1
Female retiring in 2023	23.4	23.7
Male retiring in 2043	22.2	22.4
Female retiring in 2043	24.9	25.2

23 Operating Leases

	2023 £'000s	2022 £'000s
Future minimum lease payments due are as follows:		
Less than one year	69	69
Between one and five years	81	51
	150	120

24 Contingent Liabilities

The Trust receives grants and loans from Homes England and other bodies. Under the terms of these grants/ loans, amounts may be repayable if the properties are disposed of or cease to be used for the purpose specified. The Trust therefore has a contingent liability for amounts in relation to grants which have been recognised in the Statement of Comprehensive Income through amortisation, plus any calculation of interest accrued on these amounts, which could become repayable if the property is disposed of or its use changes. Details of these grants are included within note 18 of these financial statements.

Housing grants may be recycled in which case the obligation is transferred to the recycled capital grant fund and held on the balance sheet as a current liability.

25 Reserves

Movement in funds

£'000s	At 31 March 2022	Income	Expenditure	Investment	Other	At 31 March 2023
General Reserves:	6,446	13,952	(9,253)	(591)	(3,450)	7,104
Designated funds:						
Fixed asset Fund	15,262	368	(4,254)	-	2,961	14,337
Pension Liabilities	2,021	-	-	-	(696)	1,325
Restricted Funds:						
Capital fund	2,185	25	(139)	-	-	2,071
Other Housing funds	32	-	-	-	-	32
First Steps to success	91	32	(53)	-	-	70
Covid recovery funds	17	-	(3)	-	-	14
Garden Studios	57	-	(8)	-	-	49
Wellbeing	45	-	-	-	-	45
Other funds	98	67	(94)	-	-	71
Endowment Funds	428	-	-	-	(4)	424
	26,682	14,444	(13,804)	(591)	(1,189)	25,542

Designated Funds:

The fixed asset fund relates to the net value the Trust holds in fixed assets including associated liabilities such as secured loans and Housing Grants less any properties funded through restricted funding streams.

Income into the fund relates to amortisation of social housing grants. Expenditure relates to the annual depreciation charge made against unrestricted fixed assets. Transfers into the fixed asset fund related to capital investments made in fixed assets, payments made to reduce associated liabilities and other fixed asset movements.

The Pension liability fund relates to the remaining liability produced from the full actuarial assessment, less the value of the creditor for pension liability shown on the balance sheet.

<u>Restricted Funds</u>
The capital fund relates to assets purchased using restricted funding and includes cash raised as part of capital appeals. Depreciation is expensed against those grants as they are utilised.

Other Housing Funds represent restricted funds for various Housing Projects. These funds relate to previous local authority funding agreements for specific housing programmes.

The First Steps Project is being run throughout our three key regions and aims to utilise community fundraising to provide an employment advisor in all three counties. To date funds have been raised for this project in Suffolk and Cambridgeshire.

The Covid recovery appeal relates to funding received specifically to support our services due to disruption from the pandemic. These funds have supported additional staffing to reach those customers isolating in their own homes as well as provide essential equipment to customers and our staff, including tablet computers for a number of our service users.

The garden studios fund represents funding received in support of our objective to develop garden studios at three of our centres to support customer-based activities.

Other funds represent all other restricted funds for non-housing related projects, including the Trust's Day Centres.

25 Reserves continued

Analysis of Net Assets between Funds

£'000s	General Reserves	Designated Reserves	Restricted Reserves	Endowment fund	Total Reserves
Fixed Assets	9,358	38,041	2,070	424	49,893
Current Assets	4,152	-	282	-	4,434
Liabilities due within 1 year	(2,271)	(1,152)	-	-	(3,423)
Liabilities due after one year	(1,272)	(21,227)	-	-	(22,499)
Pension Liabilities	(2,662)	-	-	-	(2,662)
Other liabilities	(201)	-	-	-	(201)
Total	7,104	15,662	2,352	424	25,542

26 Related parties

During the year the Trust purchased services in the normal course of business from The Varrier-Jones Foundation, a charity whose objectives are to support the work of The Papworth Trust.

In the year ended 31 March 2023 services were purchased totalling £17,952 (2022: £17,199), these services were for the lease of two premises owned by the Varrier-Jones Foundation. The Trust made sales to The Varrier-Jones Foundation of £52,835 (2022: £52,633) for the provision of business support functions for the Foundation.

At 31 March 2023 the amount due from The Varrier-Jones Foundation was £nil (2022: £146,250). The amount due to The Varrier-Jones Foundation was £nil (2022: £nil)

The Varrier-Jones Foundation provides funding to the Trust. During the year, donations of £1,300,000 were awarded (2022: £1,755,000).

27 Value for Money Metrics

27.1 Reinvestment

	2023	2022
	£'000s	£'000s
Reinvestment in housing stock is as follows:		
Capital works to existing properties	1,646	999
Total reinvestment	1,646	999
Historical cost of Housing Properties	60,046	58,238
Percentage of reinvestment	2.7%	1.7%

27.2 New Supply delivered

	2023	2022
New supply delivered is as follows:		
New supported living units	10	-
Total new units	10	-
Total Units owned	669	659
Percentage of new supply	1.5%	0.0%

27 Value for Money Metrics continued

27.3 Gearing

	2023	2022
	£'000s	£'000s
Gearing is made up as follows:		
Loans due in less than one year	1,028	978
Loans due in more than one year	12,546	11,605
Cash held	(3,253)	(2,425)
Net debt held	10,321	10,158
Historical cost of Housing Properties	60,046	58,238
Gearing	17.2%	17.4%

27.4 Interest cover

	2023	2022
	£'000s	£'000s
EBITDA MRI is made up as follows:		
Operating Surplus for Social Housing Activities	468	395
Add back depreciation for Housing Units	1,230	1,187
Less Amortisation of government grants	(368)	(370)
	1,330	1,212
Interest payable	486	377
EBITDA MRI	274%	322%

27 Value for Money Metrics continued

27.5 Social Housing costs per unit

	2023	2022
	£'000s	£'000s
Per unit housing costs is made up as follows:		
Management costs	790	931
Maintenance costs	788	725
Service charge costs	1,476	1,315
Depreciation	1,230	1,187
	4,284	4,158
Total number of units	669	663
Total cost per unit	6.4	6.3

27 Value for Money Metrics continued

27.6 Operating margin

	2023	2022
	£'000s	£'000s
Operating margin is made up as follows		
Operating surplus from general needs	216	209
Operating surplus from supporting living	252	186
Total Operating Surplus	468	395
Revenue from general needs	927	922
Revenue from supported living	3,825	3,630
Total revenue	4,752	4,552
Operating margin from general needs	23.3%	32.7%
Operating margin from supported living	6.6%	5.1%
Total operating margin	9.8%	8.7%

Exceptional items, including impairment charges are excluded from the above operating margin ratios.

27 Value for Money Metrics continued

27.8 Return on Capital Employed (ROCE)

	2023	2022
	£'000s	£'000s
ROCE is made up as follows		
Operating Surplus for Social Housing Activities	468	395
Adjusted operating surplus	468	395
Net book value of housing properties	37,429	37,814
Current assets	4,434	3,938
Current liabilities	(3,422)	(3,654)
Total assets less current liabilities	38,441	38,098
ROCE	1.2%	1.0%

Honorary personnel, Trustees and senior managers

The Papworth Trust is a company limited by members' guarantee of £1.00 each. The Trustees are the members of The Papworth Trust.

The register of members is maintained at the registered office.

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The Varrier-Jones Foundation
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