

The Papworth Trust
Annual Report and Accounts
31 March 2024

The Papworth Trust

Report and Accounts for the year ended 31 March 2024

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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Registration

Number

Trust status:

A registered charity	211234
A company limited by guarantee	00148906
A private registered provider	LH1648

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Chair's review

It is with great pleasure that I present our trustees report and accounts for year ending 31 March 2024. As we entered this year, we were feeling the impact of Covid and the cost of living, with challenges including the backlog of works that needed to be completed on our properties, funding shortages, vast increases on cost across all areas of our business, contractors scarcely available and shortages of quality candidates in the labour market to fill our vacant roles.

In the face of adversity, we made inroads towards a better future for the Trust and for disabled people, with our report detailing the success that has been made. This would not have been possible without the continued support and dedication of our incredible people, both our employed staff and outstanding volunteers, along with the Varrier-Jones Foundation and our superb corporate partners who provide much needed additional support and income.

Our digital strategy is transforming how we work in key areas across the Trust alongside achieving Cyber Essentials Plus. Through our use of technology and data we are working towards being more evidence driven, efficient and transparent, supporting our sustainability and resilience.

Our Day Opportunities services have been redesigned to ensure customers are supported to work towards clear goals and outcomes. This is mirrored by our Routeways to Work programme; a great example of how the Trust is supporting customers to learn new skills that support them in numerous ways going forward.

Our Work Programmes have reduced in volume due to contracts ending although we continue to deliver excellent outcomes within our Work and Health Programme and are exploring opportunities to grow our employment support offer. Within our Care services, we have consolidated our offer to be able to deliver from a stronger place and have plans to support more customers with complex Care needs in the future.

Following a restructure within our Executive Team, we have introduced a Director of Housing and Property and are keen to progress our homes and commercial properties review to deliver a long-term strategy and our plans for net zero.

We were saddened to hear of the death of Mr A. Bridgwater, a Trustee for over 20 years and most recently one of our Vice Presidents.

The Trust is in a strong position going forward. With excellent people and our wonderful supporters drawing on our legacy of resilience and customer focus, I am confident we will continue to deliver great homes and services to disabled people.

Brian Stewart OBE – Chair of Trustees

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Trustees' Report

The Trustees present the Trustees' Report and audited Financial Statements for the year ended 31 March 2024.

Achievements and performance

Set in 2022, our Strategic Objectives are Customer Focus, Sustainability, Grow our Impact and External Influence.

Customer focus

Last year we said we would...

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

Our progress made...

- We published our customer service standards, so you know what to expect when contacting us;
- We implemented our customer service action plan to improve tenant satisfaction. We also introduced transactional surveys for tenants who have had a repair carried out at their home;
- We introduced quarterly customer feedback weeks across our Day Opportunities services;
- We produced information packs for new tenants and 'walkthrough' videos for new Day Opportunities customers to help familiarise them with staff and centre layout.

Sustainability

Last year we said we would...

- 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;
- Develop a housing development and commercial property strategy;

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- Optimise funding and partnerships to maximise our impact.

Our progress made...

- Using the results from staff surveys, we developed staff morale and wellbeing action plans;
- We achieved our Cyber Essentials Plus accreditation;
- We invested in an electronic care rostering system;
- We approved our net zero strategy and started to look at how we can reduce our carbon footprint;
- We approved our business development and fundraising strategies to optimise funding and partnership opportunities and maximise our impact in the future.

Grow our impact

Last year we said we would...

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

Our progress made...

- We remodelled and rebranded our Day Opportunities service, embedding new Caseworker roles to support customers to achieve their goals and aspirations. We've increased the number of sessions we're delivering to customers; that's 3,500 more sessions this year;
- We secured the Work and Health Programme's 'Pioneer' project in partnership with Shaw Trust. Pioneer supports participants who need assistance in connecting with employers, enhancing their skills and securing jobs;
- We implemented our volunteer strategy;
- We consulted with Papworth Everard residents on ways to help combat loneliness and isolation in the village;
- We attended over 80 employment and careers fairs, transition and learning events to raise awareness of who we are and the services we offer across the East of England.

External influence

Last year we said we would...

- Positively influence our local communities and national policy to meet the needs of disabled people;

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- Use our Disability Confident leadership status and expertise to maximise opportunities for disabled people.

Our progress made...

- We responded to seven Government consultations, attended a Data Poverty Parliamentary roundtable and spoke to local MPs on our key policy areas of social housing, disability employment and social care funding;
- We partnered with national umbrella organisations to push for fairer outcomes for disabled people, including the National Housing Federation and Shaping the Future of Volunteering. We held events across our services to celebrate His Majesty the King's coronation, the Big Help Out and International Day of Disability;
- We supported Cambridgeshire County Council with their Preparation for Adulthood strategy work. We're now working with local Special Educational Needs schools about children's options at this crucial transition point in their lives;
- We refreshed our website homepage with a cleaner, modern feel that has accessibility features at its heart;
- We became a Disability Confident validator and supported two organisations to achieve their Level 3 Disability Confident Leadership accreditation. We supported a further 48 organisations to become Disability Confident Levels 1 and 2. We achieved this through offering personalised advice and guidance, lunchtime learning sessions and online resources.

Reserves Policy

Restricted Funds

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 funds held as at the balance sheet date was £2.8m.

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.

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Designated Funds

The Trustees also use their powers to designate certain funds 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 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. In addition, the Trustees recognise the need to maintain its properties and work towards the government's net-zero target by 2050, which will require significant financing, and have therefore started to provide funds to undertake initial works. The Trustees have also recognised the need to invest in services to develop our offering to meet evolving requirements and intend to invest additionally over the course of the business plan to achieve these objectives. The value of designated funds held as at the balance sheet date was £17.6m.

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 £435k.

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 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.

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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

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Category	Description of Risk	Estimated Financial Exposure of risk
2. Operational challenges	Care service delivery. Challenging operating model, risk to achieving financial improvement plan and sustainable operating model	£100k to £200k
	Reduction in voluntary funding. Reserve needed to manage any transition to reduced funding environment	£450k
	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	£250k
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 used for service delivery	£1,000k
	Repayment of social housing grants, should these not be recycled effectively	£133k
	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 £6.6m, as of 31st March 2024, marginally above the top end of the range required. Given the desire to maintain a modest buffer to allow the Trust to react to unplanned growth opportunities and a generally higher level of cost base and cost increases being experienced, and, even though headline inflation rates have stabilised a little, factors such as domestic political uncertainty and geo-political tensions mean 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

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future programme delivery will be structured accordingly should the Trustees decide to utilise some reserves in furtherance of our objects.

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. The Trustees of the Trust set the objectives, restrictions, investment mandate and any exclusions and, via the Finance, Audit and Risk Committee, monitors the performance of the investment advisers via advisors reporting to the Committee. 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.

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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 at Board meetings, and are assigned to Committees who have a more detailed review of areas of operations and governance on a quarterly basis. Committees meet with Executive and Leadership Team member and managers of respective services and departments who provide reports and information which are subsequently discussed at Board meetings. Day-to-day management is delegated to the Chief Executive and Executive Team.

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, supported via a structured induction plan delivered by an executive Team 'buddy'.

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 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, to assess and manage any potential conflicts. The Conflicts of Interest policy and process aligns with current best practice.

Trustees and Executive Team are formally asked on an annual basis to review the information held on the register and confirm that it is correct and that they remain eligible to serve as a Trustee of The Papworth Trust, with reference to

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disclosures required under company law and charity law, as well as best practice. In addition, at the beginning of each Board and Committee meeting or prior to the involvement in any project they are also reminded of the register and asked if there are any changes to be recorded. Any conflict raised 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 and a light touch internal review undertaken in intervening years. 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 and investment 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 the review of performance of the Trust's operations, in line with service standards and statutory,

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regulatory and contractual compliance, and ensures the effective ongoing governance of Papworth Trust.

The Committee ensures effective oversight of safeguarding and health and safety is maintained, and 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 key areas of 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 strategic objectives, customer engagement, income generation activities 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 responsibility for recommending 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 staff engagement survey results, and demonstrable progress of the delivery of Equality, Diversity, Inclusion, Disability Confident and wider workforce strategies.

Joint Investment Committee

Up until November 2023 the Joint Investment Committee, a combined committee of the Papworth Trust and the Varrier-Jones Foundation, oversaw the management of financial market investments to assist in meeting the current and future financial needs of each organisation. It considered investment mandates, policies and objectives, and met with the investment managers on a regular basis to review performance against benchmarks, and to consider the wider economic outlook. Since November 2023 this Committee ceased and this responsibility is now part of the terms of reference of the Finance, Audit and Risk Committee, which provides the oversight and monitoring required and reports to the board of Trustees on investment performance, strategy and risk.

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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. The profile of Health and Safety across the wider organisation continues to rise with a cross-working advisory group who hold responsibility for the delivery of a 3-year action plan to improve processes and embed a health and safety mindset more deeply into our culture. 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.

Equality, Diversity and Inclusion

Papworth Trust is proud to be an open and inclusive organisation, committed to recruiting and retaining a diverse workforce which reflects the communities we serve. We are committed to equality of opportunity for everyone who uses or provides our services.

Disabled Employees

We are a Disability Confident Leader and continue to champion good practice under the scheme. We actively support other organisations to become Disability Confident and encourage all organisations within our supply chain and wider networks to employ, support and promote disabled people. In the last year, we have become a Disability Confident validator and supported 2 organisations to achieve their leadership status.

One in every five of our staff have a disability and we prioritise advertising our vacancies on disability platforms to encourage applications from disabled candidates and guarantee an interview for those who have declared a disability and who meet the essential criteria for the role.

We also train all our staff in equality, diversity and inclusion and disability awareness.

Employee Involvement

We continue to develop our staff voice through our colleague groups. Our Employee and Wellbeing Forum, Disabled Colleagues Group and Carers Experience Group all contribute to the development and delivery of our services, reward packages and policies.

We also continue to build on the success of our existing communication mechanisms, retaining those channels already in place, such as the weekly

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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 have affected our Gender Pay Gap in April 2023:

- We paid a sleep-in top up for our Care staff until June 2023. As sleep ins have now been classed as non-working time, we have included payments for these shifts in the remuneration received but not the hours completed. This reflects a change in our reporting methods from October 2020 and results in an increase in hourly pay calculation for our lower paid staff.
- We introduced company sick pay for all staff in January 2021.
- The male workforce has increased by 4.7% to 35.8% of the total workforce.
- We have had a greater proportion of female staff contributing to our salary sacrifice pensions. As the calculations must be made on gross pay after pension deductions for salary sacrifice this has increased the gender pay gap, particularly in the lower quartile.

Customer Involvement

“Being on the Tenant Scrutiny panel allows me to challenge, change and improve the housing service that the Papworth Trust provides for their tenants.” **Linda, Chair of the Tenant Scrutiny panel**

This year we centralised our customer engagement team and implemented a new Customer Engagement Strategy which are key in confirming our commitment to customers being at the heart of everything we do, through having a range of activities and processes to encourage our customers to influence and shape service delivery and strategic planning.

Using a number of different engagement tools, we listen to our customers and their support networks to help us to test the quality of our services, identify key learnings and implement improvements to support the current and future needs and aspirations of our customers, whilst sharing best practice internally and externally. We recognise how important it is to understand customer need and aspirations in ensuring the long-term sustainability of our services and the Trust.

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Fundraising

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

In the 2023/24 financial year the Trust did not receive any complaints relating to fundraising practice.

Over the course of 12 weeks, our Huntingdon Day Opportunities customers took part in music sessions facilitated by Beat This, an initiative aimed to provide music and technology sessions to people with additional needs develop skills, interact, and express themselves through music. This project was supported by a generous amount of £6,443 from the NFU Mutual Charity Fund.

Through guitar strums, drumbeats, and lyrical compositions, participants delved into the world of music, ending the programme in the recording of their own song at the Beat This studio in Peterborough. The project not only honed musical skills but also fostered a sense of teamwork and accomplishment among the customers.

The initiative had a big effect outside of the studio and sessions. Customers said that they felt healthier and happier, looking forward to each session. One customer told a member of the team **"it changed my life and has given me a reason to live"**.

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 2023-24, we follow the recommended reporting of the Regulator of Social Housing and have elected to use benchmark comparisons with a national small provider

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benchmarking group, comprising up to 150 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 size and number of homes, it is more challenging to benchmark against organisations with similar operational models, i.e. small providers with high levels of supported housing spread over a wide geographical area, alongside a core of general needs homes. We separate out general needs and supported housing costs separately and compare these with providers that focus on these housing types to better understand our respective performance in each area. These are presented alongside other metrics to demonstrate how the Trust deliver Value for Money for tenants.

Achievements in 2023-24

- **Customer Service Standards**

We have developed customer service standards in partnership with our tenants to provide much greater clarity of what to expect whilst living in a Papworth Trust home. These include performance indicators specifically aimed at measuring value for money.

- Tenant satisfaction survey results and estate inspection outcomes to measure whether communal areas that are managed by the Trust meet our Estate and Shared Areas standard and deliver value for money
- Feedback on our improved lettable standard from new tenants
- Repairs and maintenance performance indicators that we can compare with other housing providers.

- **Lettable Standard**

In 2023/24 we carried out a project looking at the trend of increased void remedial work of vacated homes due to the poor condition in which they had been returned. The outcome of this was to work closely with our Tenant Scrutiny Panel to develop a new lettable standard. This included an enhanced specification of voids works and investment to bring homes up to a higher standard for new tenants to move in.

We will be monitoring the impact of the new standard in the coming year with focus on levels of satisfaction with new customers. Longer term we will be assessing tenancy turnover and void costs which is forecast to reduce due to this investment.

- **Centralise our customer engagement function**

We delivered on our value for money commitment to centralise our customer engagement team. By covering our four operational areas we can deliver a

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more efficient engagement programme and ensure we are better equipped to share feedback, learning and create best practice across the organisation.

- **Customer Satisfaction**

We have introduced the tenant satisfaction measures (TSMs) as required under the regulatory consumer standards. Using a census survey we obtained 230 responses from customers, including quantitative feedback on our tenants' perception of whether the Trust delivers a housing service that offers value for money. As a baseline 17% of tenants feel renting with Papworth Trust does not offer value for money. We will be resurveying tenants in 2024-25 to understand how this has changed.

- **Net Zero Strategy**

Our Net Zero Strategy was agreed in 2023-24 by our Board of Trustees. This covers 10 years up to 2035 with an action plan detailing specific work being undertaken to meet the long-term ambition of Net-Zero-Carbon by 2050.

- **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. We have completed year one of our new three-year capital programme in line with individual stock condition surveys that are carried out to every home.

- **Asset management**

We have completed our strategic asset management review. This has involved work to determine how each of our homes is currently performing using a wide -ranging set of criteria covering financial, social and people factors and then assessing how they are likely to perform in the future to enable the Trust to make strategic decisions about its assets. All homes achieved a grading A-C, with options appraisals carried out on all loss-making homes. The data is due to be refreshed in 2025-26 to understand the impact of interventions taken.

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Regulator of Social Housing Value for Money Metrics

Value for Money Metrics (Note 27)	2023/24	2022/23	SPBM median (2022-23)
Reinvestment	0.9%	2.7%	3.1%
New supply delivered	0.0%	1.5%	0.0%
Gearing	13.7%	17.2%	13.7%
Interest cover (EBITDA)	181%	274%	238%
Social Housing cost per unit	£7,253	£6,403	£6,174
Operating margin (social housing)	4.9%	9.8%	17.8%
Return on capital employed	2.9%	1.2%	2.57%

Reinvestment

Our level of reinvestment has decreased from 2.7% to 0.9% between 2022-23 to 2023-24.

We have not developed any new homes in 2023/24 following the addition of 10 new homes in 2022/23.

For existing homes 2023/24 we have invested £532K (2023: £1,646k) which represents year one of our three-year capital programme, which is the first time the Trust have procured a three-year capital programme rather than one year. Initial challenges with our contract have prevented the planned investment of £2,178k in year one, we aim to catch this up in years two and three reaching a total investment of £5,763k between 2023-2026.

New Supply Delivered

We have delivered no new supply in 2023/24, however we have one accessible unit in progress that is the repurposing of an underutilised communal space into rental accommodation. This is a strategic approach we have taken in several supported schemes as it results in the delivery of new units with no construction costs and minimal capital investment.

Gearing

Gearing has decreased by 3.5% as our overall net debt has reduced. Our loan balances have decreased by £1.0m, whilst our cash held has increased by £1.0m

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resulting in our net debt decreasing by £2.0m. Our cost of housing properties has increased by £0.5m.

Interest Cover

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

Headline Social Housing Cost per Unit – analysed by type

	2023/24	2022/23	SPBM
Supported housing	£8,026	£7,146	£9,900
General needs housing	£4,851	£4,111	£4,958
All housing	£7,253	£6,403	£6,174

Our overall social housing cost per unit has increased by 13.3%. This is above inflation statistics for the year (5.1%), reflecting increased maintenance costs as we seek to upgrade our older stock, as well as higher material costs and interest rates. Our headline social housing cost remains higher than the sector median, recognising that three quarters of our stock is supported housing. Our supported homes by their nature require greater expenditure in terms of more intensive and engaging housing management resources to our core tenants alongside higher repairs and maintenance investment associated with accessible and specialised housing.

In recognising this increased headline 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 better understand relative value for money, we have separated the headline cost of 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 slightly below the median level. This is not unexpected given the reduced capital expenditure in 2023/24.

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 we provide, from accessible homes with low-level of support which tend to be lower cost, through to higher cost specialised supported housing with complex specifications. We recognise that significant variation can exist between

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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

The operating margin has decreased this year by 4.9%. Overall revenue has remained stable, but increased maintenance costs have led to a reduction in surplus.

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.

The additional costs associated with providing and delivering supported housing alongside greater proportions of income via service charges (at cost only) reduce the overall margin of supported housing. Provision of supported housing remains a key strategic area for the Trust.

	2023/24	2022/23	SPBM
Supported housing	2.9%	6.6%	11.8%
General needs housing	13.4%	23.3%	20.6%
All housing	4.9%	9.8%	17.8%

Return on Capital Employed (ROCE)

The return on capital employed has increased in 2023-24, driven by gains realised from asset disposals and our improved cash position.

Value for Money 2024/25

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, improved satisfaction and adheres to regulatory standards, including recently introduced consumer regulation.

- **Value for money strategy**

We will refresh our overall approach to achieving value for money in 2024-25 to include all business areas of the organisation.

- **Net Zero and Asset Management**

We will continue on our journey towards the net-zero-carbon challenge by 2050, taking steps to reduce our carbon footprint and ensure we have a

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sustainable model that takes into consideration operating costs, net zero requirements and embraces continued advances in technology.

In line with our Net Zero Strategy developed this year we will be working through our Net Zero action plan, including targeted work toward all our homes attaining a C rating on Energy Performance Certificates by 2030.

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 articulates our planned activity for the next three financial years and considers areas of revenue growth, as well as 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 anticipates having 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.

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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 13 August 2024 by:

Signed by:

A8786EBE14094E2...

Brian Stewart OBE - Chair of Trustees

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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, supported by annual departmental plans and budgets. 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.

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Financial Review

Full details of our financial performance for the year ended 31 March 2024 are shown in the Statement of Comprehensive Income, Balance Sheet, Cash Flow Statement and Notes to the Accounts.

Turnover and operating surplus for 2023-24, with prior year comparisons, are shown in the table below:

	2024	2023
	£'000s	£'000s
Turnover	14,082	14,444
Operating costs	(12,522)	(13,250)
Operating surplus	<u>1,560</u>	<u>1,194</u>
Profit on sale of fixed assets	879	677
Interest receivable	69	-
Impairment of assets	-	(1,040)
Interest payable	(743)	(545)
Investment gains/(losses)	860	(591)
Surplus/(Deficit) for the year	<u>2,625</u>	<u>(305)</u>

Headline income has decreased by 3%, which is principally attributable to reduced income from Work activities, Work income has declined by 46%, (£1,079k) as contracts have come to an end. Housing has seen income increase by 7%, (£361k) due to rental uplifts. Care income has increased by 4% (£161k) with some changes in volume and pricing, and the Varrier-Jones Foundation donation has increased by £131k. Other income has remained largely consistent across other service streams.

Total operating costs have decreased over the period primarily attributable to reduced Work programme activity. Work operating costs have decreased by 85% (£1,259k) and Care operating costs have decreased by 4% (£208K). Housing operating costs have increased by 11% (£497k) and Day Opportunities have increased by 4% (£68K). Housing cost increases are driven by the increased costs of maintenance, 3rd party contractors and additional void costs in the year.

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Income

- Turnover from social housing lettings has increased to £5.1m from 2022/23 increasing by 7% from £4.7m.
- Care income increased by 4% to £4.3m from £4.1m. Our Ipswich and Haverhill locations income increased by 12% and 32% respectively. Our Lowestoft location increased by 2% despite reductions in customer count throughout the year.
- Day Opportunities income increased by 5% to £1.5m from £1.4m. Our Cambridge and Basildon day centres remained fairly in line with the prior year whilst at our other centres turnover grew between 8% and 20%. This has been driven by growth and successful uplift negotiations.
- Work services saw decreased turnover of 46%. The Work and Health Programme achieved better outcomes, resulting in above budget income for the year, being offset by a decline in revenue from our Building Better Opportunities (BBO) programmes which ended in June 2023.

Expenditure

- Expenditure in Care decreased by 5% due to reduced 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 April 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. This has been significantly improved since 2022-23.
- Housing expenditure has increased 11% this year, as we have experienced price increases in materials and labour. We have seen delays in planned maintenance activity due to the establishment of new 3-year maintenance contracts, phasing the work to a more manageable profile.
- Work services expenditure has decreased by 85% compared to last year. The Work and Health Programme has remained strong throughout the year. Our BBO programmes ended in June 2023, which saw a small amount of redundancy costs being incurred, with resources being deployed elsewhere where practical.
- Expenditure in Day Opportunities has increased by 4% 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.

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- Our support functions expenditure has increased due to staff costs, additional investment in IT infrastructure and catch up on planned maintenance in our facilities.

Balance Sheet

- The cash position has improved by £1,008k, with total cash held of £4.3m at the balance sheet date. This is inclusive of the sale of Bourne House at £725k.
- 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 £651K, 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 place stress on working capital. Working capital requirements are held as cash, with surplus funds being invested through the Trust's investment managers. Potential drawdowns

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from investments are considered as part of the Trust's financing plan to support working capital as required.

The Trust has £1m remaining undrawn of a £3m loan facility established in 2022/23 which is anticipated to be drawn down in the forthcoming 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 2024.

Plans for future periods

The Trust's 2024-27 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:

- Communicate to our customers in a way that meets their needs and preferences.
- Develop an approach to Co-Production.
- Increase care customers' independence and quality of life through the use of technology.

Expected results and outcomes...

Customers are better informed to make decisions, provide feedback and influence the way we deliver our services.

Our customers will influence service and organisational decisions, leading to a more customer-focussed charity.

Care customers are more independent through the use of technology.

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Sustainability

We will:

- Develop an information management strategy.
- Through investment and planning we will ensure our workforce has the knowledge, skills and resources to deliver great services.
- Develop a net zero action plan.
- Develop a commercial property strategy.
- Develop a housing strategy.

Expected results and outcomes...

Improved data accuracy, reduction of risk and a more effective and resilient organisation.

A satisfied, stable and motivated workforce who have opportunities to develop their knowledge and skills and deliver great services to our customers.

A three-year action plan which will see the Trust reducing our carbon emissions through improved working practices, homes and facilities (such as buildings and vehicles).

The Trust will have successfully bid for Government funding which will be used to improve our homes to meet decarbonisation targets.

We will have a 10-year roadmap for each of our commercial properties to meet the needs of our customers and staff.

We will have a 30-year plan for property management, maintenance and development of our homes to ensure tenant satisfaction and good quality homes.

Grow our impact

We will:

- Deliver our 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 delivering quality homes in the right geographical location, secure future funding for employment programmes and continually evolve our offer to suit the labour market. We will also seek fairer funding for Social Care and continue to improve our Day Opportunities. In reaching these, more disabled people can achieve their independent living targets, become more economically active and enjoy a good quality of life.

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External influence

We will:

- Increase the number of employers we work with to raise disability awareness through promoting Disability Confident.
- Develop and implement our brand awareness strategy.

Expected results and outcomes...

Through our work in raising disability awareness and dispelling myths, more employment opportunities for disabled people are created.

Papworth Trust is actively influencing local and national policy through use of data and membership of forums. Our expertise is being sought and championed, leading to disabled people having greater equality, choice and independence.

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 business planning processes, which review 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.

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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
<p>Financial Sustainability</p> <p>Because the environment is challenging and full of uncertainty for both us and our donors, with upward cost pressures due to high inflation and interest rates, and challenges to increase revenues to match, we may not perform in accordance with our current financial plan, resulting in us having insufficient funds to operate our services to the desired quality or with the desired reach.</p>	<ul style="list-style-type: none"> • Effective management information framework, including budgeting and forecasting, and robust internal controls • Long term plans and reserves policy established, and stress tested to ensure resilience • Investment portfolio professionally managed and tested against our risk appetite • Risk Management framework established to ensure potential adverse impacts are identified, mitigated accordingly and contingency plans are in place • Regular engagement with our key sponsors
<p>Our People</p> <p>Because our people are key to everything we do at all levels of our organisation, and because the employment and volunteer markets continue to be challenging, we may struggle to recruit and retain people to provide the skills and capacity that we need, resulting in us needing to limit the scope of our provision or not achieving the quality of delivery required, or not having the right skills mix around our board table.</p>	<ul style="list-style-type: none"> • Benchmarking exercises conducted to re-align reward packages, where appropriate • Greater focus on well-being and development of a more holistic reward package for staff • 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 • Trustee skills assessment and regular appraisal to ensure we have the right skills to support the organisation

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Key risk	Responses to the risk
<p>Service Quality and Continuity</p> <p>Because we operate in high-profile regulated sectors supporting vulnerable people, we may not be able to deliver services to the standard expected or to keep up with changes in our operating landscape, resulting in poor service quality, health and safety, safeguarding or cyber security failures leading to material downgrade in our reputation with customers and commissioners.</p>	<ul style="list-style-type: none"> • Clear, regularly reviewed organisational policies in place, tracked and supported by structured training managed through a central portal • Complaints process in place with rigorous follow up procedures • Secured Cyber Essentials Plus accreditation, ensuring data is kept secure and our infrastructure resilient. • Working groups established for Health and Safety, Safeguarding, Data governance etc to ensure regulations are tracked and monitored and organisational policies and procedures are maintained. • Testing of Business Continuity, including penetration testing, conducted regularly, with agreed actions monitored by the Executive Team
<p>Quality of Housing Stock</p> <p>Because requirements, and the level of potential support from government, to achieve net zero targets is not yet known with certainty, and because our housing stock is typically quite old and on the whole has not been built to modern construction standards we may have challenges meeting future housing standards and ensuring that our homes remain decent, resulting in an inability to let certain properties and retaining an element of housing stock that is no longer viable.</p>	<ul style="list-style-type: none"> • Comprehensive stock condition surveys undertaken • Housing strategy development • 3-year capital programme agreed to improve procurement and secure financing • Impact assessments conducted for all poorly performing stock and appraisals / action plans being developed • Contingencies factored into our long-term 30-year financing plans, together with stress testing to provide comfort we have the resilience to adapt to a range of unforeseen circumstances

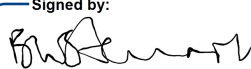
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Key risk	Responses to the risk
<p>Breach of regulations</p> <p>Because the Trust works with vulnerable people in a number of highly regulated environments and because new regulations are regularly being proposed, a breach of regulations could lead to a downgrade of assessment and / or significant reputational damage, resulting in penalties and material financial loss.</p>	<ul style="list-style-type: none"> • Deployed a risk-based Assurance Framework, with focus on highly regulated areas such as Care prioritised, and engagement of further Internal Audit resource • Maintenance 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
<p>Strategic Alignment</p> <p>Because we are operating in a changing environment where there is an increasing scope and scale of demand, coupled with constrained resources to deliver, we may not retain suitable focus on our core priorities resulting in the needs of our beneficiaries and other stakeholders not being properly addressed.</p>	<ul style="list-style-type: none"> • Regular strategy reviews, with horizon scanning and three-year planning cycle to clearly define strategic objectives (SO's) • Monitoring mechanisms established, and KPI's and dashboards developed, to ensure effective progress against these SO's • Board effectiveness reviews, and Trustee assessments, ensure we continually monitor our governance structures to effectively deliver our strategy

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 13 August 2024 by:

Signed by:

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Brian Stewart OBE
 Chair of Trustees

The Papworth Trust

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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;
- 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 2022. 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.

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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 2024 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 2024 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.

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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.

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Respective responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 32 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.

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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:

The Papworth Trust
Report and Accounts for the year ended 31 March 2024

<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
1st Floor, Platinum Building
St John's Innovation Park
Cowley Road
Cambridge
CB4 0DS
Date 14/08/2024

The Papworth Trust
Report and Accounts for the year ended 31 March 2024

Statement of Comprehensive Income

	Note	2024 £'000s	2023 £'000s
Turnover	3	14,082	14,444
Operating costs	3	(12,522)	(13,250)
Operating surplus		1,560	1,194
Gain/(loss) on disposal of tangible fixed assets	8	879	677
Interest receivable		69	-
Impairment of Assets	10	-	(1040)
Interest payable and similar charges	9	(743)	(545)
Gains/(Losses) on investments		860	(591)
(Deficit)/surplus for the year		2,625	(305)
Actuarial (loss) in respect of pension scheme	22	(719)	(835)
Total Comprehensive income		1,906	(1,140)

The accounts relate to continuing operations. The notes on pages 41 to 77 form part of these financial statements.

Statement of Changes in Funds

	2024 £'000s	2023 £'000s
Balance at 1 April	25,542	26,682
Surplus/(Deficit) for the year	2,625	(305)
(Increase) in Defined Benefit Pension liability	(719)	(835)
Balance at 31 March	27,448	25,542


The Papworth Trust

Report and Accounts for the year ended 31 March 2024


Co. no: 00148906, Charity no: 211234 RP no.: LH1648

Balance Sheet	Notes	2024 £'000s	2023 £'000s
Fixed Assets			
Housing Properties	10	36,691	37,429
Other Fixed Assets	11	2,492	2,682
Investments	12	10,204	9,358
Endowment Fund Assets	13	435	424
Total fixed assets		<u>49,822</u>	<u>49,893</u>
Current Assets			
Assets held for disposal	14	-	137
Debtors - amounts falling due within one year	15	1,083	1,129
Cash and cash equivalents		<u>4,262</u>	<u>3,254</u>
		5,345	4,520
Creditors:			
Amounts falling due within one year	16	<u>(3,722)</u>	<u>(3,508)</u>
Net current assets/ (liabilities)		<u>1,623</u>	<u>1,012</u>
Total assets less current liabilities		<u>51,445</u>	<u>50,905</u>
Creditors:			
Amounts falling due after more than one year	17	(20,929)	(22,498)
Provisions for liabilities and charges			
Pension liabilities	22	(2,865)	(2,662)
Other Provisions	21	(203)	(203)
Net assets		<u>27,448</u>	<u>25,542</u>
Funds			
Restricted Funds		2,835	2,352
Endowment Funds		435	424
Unrestricted Funds:			
Designated Funds		17,595	15,662
General Reserves		<u>6,583</u>	<u>7,104</u>
Total Unrestricted Funds		<u>24,178</u>	<u>22,766</u>
Total Funds	25	<u>27,448</u>	<u>25,542</u>

These Financial Statements were approved by the Board, and signed on the Board's behalf on 13 August 2024 by:

Signed by:

 A8786EBE14094E2...

B Stewart
Trustee

Signed by:

 6D99FB87B8AB448...

M Anderson
Trustee

The notes on pages 41 to 77 form part of these financial statements.

The Papworth Trust
Report and Accounts for the year ended 31 March 2024

Cash Flow Statement

	2024 £'000s	2023 £'000s
Cash flows from operating activities:		
Operating surplus	1,560	1,194
<i>Adjustment for:</i>		
Remeasurement of pensions liability	-	(59)
Depreciation	1,489	1,192
Amortisation of grants	(368)	(368)
Decrease/(increase) in trade and other debtors	183	246
(Decrease)/increase in trade and other creditors	42	(214)
Pensions deficit payments made	(630)	(684)
Net cash inflow	<u>2,276</u>	<u>1,307</u>
Interest paid	<u>(630)</u>	<u>(468)</u>
Cash flows from investing activities:		
Proceeds from disposal of fixed assets	969	695
Acquisition of tangible fixed assets	(578)	(1,697)
Net cash (outflow) from investing activities	<u>391</u>	<u>(1,002)</u>
Cash flows from financing activities:		
Repayment of borrowing	-	2,000
	(1,029)	(1,008)
Net cash outflow from financing activities	<u>(1,029)</u>	<u>992</u>
Net Increase in cash	1,008	829
Cash and cash equivalents at 1 April	3,254	2,425
Cash and cash equivalents at 31 March	<u>4,262</u>	<u>3,254</u>

The notes on pages 41 to 77 form part of these financial statements.

The Papworth Trust

Report and Accounts for the year ended 31 March 2024

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 have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and the comply with the Accounting Direction for Private Registered Providers of Social Housing 2022, and under the historical cost convention, modified to include certain financial instruments at fair value. 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 Going concern

The Board has assessed the Trust's financial performance and resources having regard to the 2024-25 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.

2.2 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 is recognised when the conditions of the grant have been met. Income from investments is recognised in the period to which it relates.

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2.3 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.

2.4 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.

2.5 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

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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.

2.6 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.

2.7 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

2.8 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

The Papworth Trust

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estimated sales price after allowing for all further costs of completion and disposal.

2.9 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.

2.10 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.

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2.11 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 account as 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.

2.12 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.

2.13 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. 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 2023 – it is expected to be able to reflect the results from this revaluation in the accounts for 2024/25.

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

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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.

2.14 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.

2.15 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.

2.16 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.

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2.17 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.

2.18 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.

2.19 Reserves

Restricted funds

Restricted funds 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 funds

Designated funds 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.

2.20 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

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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.

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3 Social Housing and other activities	2024	2024	2024	2023
	General	Supported	Total	Total
	Needs	Housing		
	£'000s	£'000s	£'000s	£'000s
Rent receivable (net of service charges)	969	3,002	3,971	3,708
Profit on disposal social housing assets	-	-	-	-
Service charges	-	1,132	1,132	1,044
Net rents receivable	<u>969</u>	<u>4,134</u>	<u>5,103</u>	<u>4,752</u>
Other income	-	-	-	-
Total income from lettings	<u>969</u>	<u>4,134</u>	<u>5,103</u>	<u>4,752</u>
Expenditure on letting activities				
Management	(240)	(656)	(896)	(790)
Services	(20)	(288)	(308)	(308)
Routine maintenance	(353)	(1,877)	(2,230)	(1,854)
Planned maintenance	(35)	(98)	(133)	(81)
Bad debts	-	(1)	(1)	(1)
Depreciation of housing properties	(187)	(1,080)	(1,267)	(1,230)
Depreciation of other housing assets	(4)	(13)	(17)	(20)
Total expenditure on lettings	<u>(839)</u>	<u>(4,013)</u>	<u>(4,852)</u>	<u>(4,284)</u>
Operating surplus on lettings	<u>130</u>	<u>121</u>	<u>251</u>	<u>468</u>
Void Losses (included within the above)	(60)	(112)	(172)	(128)

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3 Social housing and other activities (continued)

	2024			
	Turnover	Cost of sales / delivery	Operating Costs	Operating Surplus
	£'000s	£'000s	£'000s	£'000s
Social housing lettings				
General needs	969	(446)	(393)	130
Supported housing	4,134	(2,900)	(1,113)	121
	<u>5,103</u>	<u>(3,346)</u>	<u>(1,506)</u>	<u>251</u>
Other social housing activities				
Other housing activities	31	(65)	-	(34)
Amortised grant Income	368	-	-	368
	<u>399</u>	<u>(65)</u>	<u>-</u>	<u>334</u>
Non-social housing activities				
Work services	730	(768)	-	(38)
Care services	4,282	(4,347)	-	(65)
Day Opportunities	1,497	(1,615)	-	(118)
Policy & Communications	-	-	(126)	(126)
Business Development	-	-	(45)	(45)
Varrier-Jones Foundation donation	1,431	-	-	1,431
Fundraising	191	(116)	-	75
Enabling Services (Management, Finance, IT, HR and Facilities)	178	-	(523)	(345)
Investment income	271	(43)	-	228
Re-measurement of defined benefit pension liability	-	-	(22)	(22)
	<u>8,580</u>	<u>(6,889)</u>	<u>(716)</u>	<u>975</u>
Total social housing and non-housing activity	<u>14,082</u>	<u>(10,300)</u>	<u>(2,222)</u>	<u>1,560</u>
Gain/ (loss) on disposal of assets				879
Interest payable				(743)
Interest receivable				69
Gain on investments				860
Surplus for year				<u>2,625</u>

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3 Social housing and other activities (continued)

	Turnover	Cost of sales / delivery	2023 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
	<u>4,752</u>	<u>(3,115)</u>	<u>(1,169)</u>	<u>468</u>
Other social housing activities				
Other housing income	1	(116)	-	(115)
Amortised grant Income	368	-	-	368
	<u>369</u>	<u>(116)</u>	<u>-</u>	<u>253</u>
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)
Fundraising	1,300	-	-	1,300
Varrier-Jones Foundation donation	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)
	<u>9,323</u>	<u>(8,240)</u>	<u>(610)</u>	<u>473</u>
Total social housing and non-housing activity surplus/(deficit)	<u>14,444</u>	<u>(11,471)</u>	<u>(1,779)</u>	<u>1,194</u>
Gain on disposal of assets				677
Impairment				(1,040)
Interest payable				(545)
Gain on investments				(591)
Surplus for year				<u>(305)</u>

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Report and Accounts for the year ended 31 March 2024

4 Housing Stock

	General Needs Housing (units)	Supported Housing (units)	2024 Total (units)	2023 (units)
Number of units	173	500	673	673
Analysed:				
Owned and managed	173	496	669	669
Managed on behalf of others	-	4	4	4
Total number of units	173	500	673	673

5 Expenses and auditor's remuneration

	2024 £'000s	2023 £'000s
Included in the Statement of Comprehensive Income account are the following:		
Depreciation on housing properties	1,267	1,230
Loss on replacement of component assets	8	16
Impairment of housing properties	-	1,040
Depreciation on other fixed assets	239	246
(Profit)/loss on sale of other fixed assets	(887)	(677)
Costs of operating leases	76	83
Auditor's remuneration:		
Audit of these financial statements	34	32
	<u>34</u>	<u>32</u>

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6 Staff and employee costs

	2024	2023
Staff costs	£'000s	£'000s
Wages and salaries	6,127	6,529
Social security costs	524	588
Pension costs	187	204
	<u>6,838</u>	<u>7,321</u>

	2024 Number	2023 Number
The average number of persons employed by the Trust (including executive directors, but excluding trustees) during the year was as follows:		
Average headcount	238	250
Average full-time equivalent employees	<u>198</u>	<u>221</u>

At 31 March 2024 outstanding pensions contributions were £nil (2023: £nil).

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).

	2024	2023
Bands		
£60,000- £70,000	4	2
£70,001-£80,000	-	1
£80,001-£90,000	1	-
£90,001- £100,000	1	2
£100,001-£110,000	1	-
£110,001-£120,000	-	1
£120,001-£130,000	1	-

The above bandings for 2024 additionally include 2 staff members who left the Trust during the course of the year.

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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.

	2024 £'000s	2023 £'000s
Aggregate emoluments paid to Directors	375	383
Pension	31	36
	<u>406</u>	<u>419</u>
Total emoluments paid to the highest paid Director	<u>120</u>	<u>116</u>
Total number of paid Directors	4	4
Number of Directors in the defined benefit pension scheme	<u>-</u>	<u>-</u>

In addition to the above the highest paid director received pension contributions of £13k (2023: £12k).

During the year no consideration was paid to Trustees for performing their roles (2023: Nil). In the year out of pocket expenses totalling £708 (2023: £1,005) were paid to members of the Board.

8 Profit on disposal of tangible fixed assets

	2024 £'000s	2023 £'000s
Proceeds from sale of assets	969	695
Cost of disposals	(90)	(18)
	<u>879</u>	<u>677</u>

During the year the Trust sold premises, resulting in a book profit of £887,000. Other losses reflect the write down of component assets that were not fully depreciated at the time of replacement.

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9 Interest payable and similar charges

	2024 £'000s	2023 £'000s
Interest payable on financial liabilities	629	486
Interest payable on the unwinding of the net pension deficit liability	114	59
	<u>743</u>	<u>545</u>

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10 Housing properties	General Needs £'000s	Supporting living £'000s	Capital work in progress £'000s	Total £'000s
Cost				
Balance at 1 April 2023	7,616	52,390	39	60,045
Acquisitions	143	408	(18)	533
Allocation of work in progress	(9)	(35)	44	-
Disposals	-	(22)	-	(22)
Balance at 31 March 2024	<u>7,750</u>	<u>52,741</u>	<u>65</u>	<u>60,556</u>
Depreciation				
Balance at 1 April 2023	3,494	19,122	-	22,616
Depreciation charge for year	199	1,064	-	1,263
Disposals	-	(14)	-	(14)
Balance at 31 March 2024	<u>3,693</u>	<u>20,172</u>	<u>-</u>	<u>23,865</u>
Net book value				
At 31 March 2024	<u>4,057</u>	<u>32,569</u>	<u>65</u>	<u>36,691</u>
At 31 March 2023	<u>4,122</u>	<u>33,268</u>	<u>39</u>	<u>37,429</u>

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Report and Accounts for the year ended 31 March 2024

11 Other fixed assets	Land & Buildings £'000s	Motor Vehicles £'000s	IT Assets £'000s	Other Fixed Assets £'000s	Total £'000s
Cost					
Balance at 1 April 2023	5,561	292	138	266	6,257
Acquisitions	42	-	16	-	58
Disposals	-	-	-	(7)	(7)
Balance at 31 March 2024	<u>5,603</u>	<u>292</u>	<u>154</u>	<u>259</u>	<u>6,308</u>
Depreciation					
Balance at 1 April 2023	2,998	224	111	242	3,575
Depreciation charge for year	198	27	14	5	244
Disposals	-	-	-	(3)	(3)
Balance at 31 March 2024	<u>3,196</u>	<u>251</u>	<u>125</u>	<u>244</u>	<u>3,816</u>
Net book value					
At 31 March 2024	<u>2,407</u>	<u>41</u>	<u>29</u>	<u>15</u>	<u>2,492</u>
At 31 March 2023	<u>2,563</u>	<u>68</u>	<u>27</u>	<u>24</u>	<u>2,682</u>

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12 Investments

Market Value

	2024	2023
	£'000s	£'000s
At 1 April	9,358	9,932
Additions	4,892	3,649
Disposals	(4,814)	(3,701)
Realised gains	70	393
Unrealised gains (losses)	790	(915)
Unrealised & other movements	(92)	-
Market Value at 31 March	10,204	9,358

Historical cost of assets

	2024	2023
	£'000s	£'000s
Historical cost of assets	8,972	8,898
Unrealised gains	1,232	460
Market Value at 31 March	10,204	9,358

Held as follows:

	2024	2023
	£'000s	£'000s
Cash & cash equivalents	415	274
Fixed Income	1,637	1,576
UK Equities	771	1,779
Global Equities	6,625	4,400
Alternative Investments	756	1,329
Market Value at 31 March	10,204	9,358

13 Endowment Fund Assets

	2024	2023
	£'000s	£'000s
Cash	162	162
Investments	117	106
Property	156	156
	435	424

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14 Properties Held for Disposal

	2024 £'000s	2023 £'000s
Commercial property	-	137
	<u>-</u>	<u>137</u>

15 Debtors

	2024 £'000s	2023 £'000s
Trade debtors	780	578
Prepayments and accrued income	216	414
Tenant arrears	86	125
Other debtors	1	12
	<u>1,083</u>	<u>1,129</u>

Tenant Arrears:

	2024 £'000	2023 £'000
Current tenant arrears	86	125
- less provision for bad and doubtful debts	-	-
Former tenant arrears	31	58
- less provision for bad and doubtful debts	<u>(31)</u>	<u>(58)</u>
	<u>86</u>	<u>125</u>

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

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16 Creditors: amounts falling due within one year

	2024 £'000s	2023 £'000s
Loans (note 19)	1,200	1,028
Trade creditors	224	412
Other taxation and social security	164	161
Other creditors	1,050	842
Rents received in advance	233	150
Accruals and deferred income	718	790
Recycled capital grants fund	133	125
	3,722	3,508

17 Creditors: amounts falling due after more than one year

	2024 £'000s	2023 £'000s
Loans (note 19)	11,346	12,546
Deferred grant income	9,583	9,952
	20,929	22,498

Deferred grant income

	2024 £'000s	2023 £'000s
Recycled capital grants fund	133	125
Social Housing Grants	9,565	9,929
Other grants	18	23
	9,716	10,077

Amounts falling due within one year	133	125
Amounts falling due after more than one year	9,583	9,952
	9,716	10,077

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18 Social Housing Grants

Housing Grants due after one year

	2024 £'000s	2023 £'000s
Cost		
Cost at 1 April	19,434	19,434
Additions/ disposals in year	-	-
Cost at 31 March	<u>19,434</u>	<u>19,434</u>
Amortisation		
Amortisation at 1 April	9,482	9,114
Amortisation income in year	368	368
Amortisation at 31 March	<u>9,850</u>	<u>9,482</u>
Deferred Grant income	<u>9,584</u>	<u>9,952</u>

Recycled Capital Grant Fund

	2024 £'000s	2023 £'000s
At 1 April	125	120
Utilised in the year	-	-
Disposed of in year	-	-
Interest Credited to the fund	8	5
At 31 March	<u>133</u>	<u>125</u>
Due within one year	133	125
Due after more than one year	<u>-</u>	<u>-</u>
	<u>133</u>	<u>125</u>

Of the above balance £133,000 (2023: £125,000) 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 2024/25 financial year on new developments.

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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.

Secured bank loans	2024 £'000s	2023 £'000s
Due within one year	1,200	1,028
Due between one and two years	1,414	1,016
Due between two and five years	2,477	3,287
Due in greater than five years	7,455	8,243
	12,546	13,574

Outstanding Loans by Lender	2024 £'000s	2023 £'000s
Orchard Brook	406	428
Lloyds	2,521	2,638
National Westminster Bank Plc	3,869	4,508
Barclays	3,750	4,000
Triodos	2,000	2,000
	12,546	13,574

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19 Loans and borrowings continued

A loan from Orchard Brook Limited of £406k 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	406

A loan from Lloyds Bank plc of £2.51m 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	689

The National Westminster Bank Plc loan is part of an original £10m facility secured by way of fixed charges on certain properties owned by Papworth Trust. Total outstanding loans of £3.9m are held as of 31 March 2024 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 5.81%		1,287

The Barclays Bank plc loan is part of a £5m facility and is secured by way of fixed charges over certain properties owned by Papworth Trust. Capital redemptions of £250k are due annually in July for a period of twenty years beginning July 2019, leaving a balance of £3.75m outstanding at year end. Details are as follows:

Interest rate	End of fixed rate period	£000
Fixed 3.43%	July 2038	1,600
Variable 5.79%		2,150

A loan from Triodos Bank UK Limited of £2m 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, starting in 2026/27.

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

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20 Analysis of Net Debt

	2024 £'000s	2023 £'000s
Net debt at 1 April	10,321	10,158
Cash flows in period	(1,008)	(829)
Loan borrowings	-	2,000
Repayment of borrowing	(1,029)	(1,008)
Balance at 31 March	8,284	10,321
Net debt made up as follows:		
Loans due in less than one year	1,200	1,028
Loans due in more than one year	11,346	12,546
Cash held	(4,262)	(3,253)
Net debt held	8,284	10,321

21 Other Provisions

	2024 £'000s	2023 £'000s
Balance at 1 April	203	221
Provisions made during the year	-	-
Provisions used during the year	-	(18)
Balance at 31 March	203	203

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.

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22 Defined Benefit Pension Liability

The Trust 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.

The Trust has been notified by the Trustee of the Scheme that it has performed a review comparing the benefits provided to scheme members over recent years with the requirements of the Scheme documentation. Due to uncertainty as to the effect of some benefit changes, the Trustee has been advised by lawyers to seek clarification from the Court on potential changes to the pension liability. It is recognised that this could potentially impact the value of Scheme liabilities, but until the outcome of the ongoing Court process is known (which is currently expected to be February 2025), it is not possible to calculate the impact on the liabilities of this issue with any accuracy, particularly on an individual employer basis, for the purposes of the 31 March 2024 financial statements. Accordingly, no adjustment has been made in these financial statements in respect of this potential issue.

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

	31 March 2024 £'000s	31 March 2023 £'000s
Fair value of plan assets	12,614	12,904
Present value of defined benefit obligation	(15,479)	(15,566)
Defined benefit (liability) to be recognised	<u>(2,865)</u>	<u>(2,662)</u>

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	31 March 2024 £'000s	31 March 2023 £'000s
Defined benefit obligation at 1 April	15,566	22,505
Expenses	21	25
Interest expense	748	622
Actuarial losses / (gains) due to scheme experience	(146)	54
Actuarial (gains) / losses due to changes in demographic assumptions	(171)	(36)
Actuarial (gains) / losses due to changes in financial assumptions	(165)	(7,212)
Benefits and expenses paid	(374)	(392)
Defined benefit obligation at 31 March	<u>15,479</u>	<u>15,566</u>

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22 Defined Benefit Pension Liability (continued)

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

	31 March 2024 £'000s	31 March 2023 £'000s
Fair value of plan assets at 1 April	12,904	20,042
Interest income	634	563
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(1,201)	(8,029)
Contributions by employer	651	720
Benefits paid and expenses	(374)	(392)
Fair value of plan assets at 31 March	12,614	12,904

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was £567,000 (2023: (£7,466,000)).

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

	31 March 2024 £'000s	31 March 2023 £'000s
Expenses	21	25
Net interest expense	114	59
Defined benefit costs to be recognised	135	84

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22 Defined Benefit Pension Liability (continued)

Defined Benefit Costs Recognised in the Statement of Changes in Reserves

	31 March 2024 £'000s	31 March 2023 £'000s
Experience on plan assets (excluding amounts included in net interest cost)	(1,201)	(8,029)
Experience gains and losses arising on the plan liabilities	146	(54)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	171	36
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	165	7,212
	(719)	(835)

Plan Assets	31 March 2024 £'000s	31 March 2023 £'000s
Global equity	1,257	241
Absolute return	493	140
Distressed opportunities	445	391
Credit relative value	413	487
Alternative risk premia	400	24
Fund of hedge funds	163	-
Emerging markets debt	738	69
Risk sharing	65	950
Insurance-linked securities	507	326
Property	1,274	555
Infrastructure	10	1,474
Private debt	496	574
Opportunistic Illiquid Credit	493	552
High Yield	2	45
Opportunistic Credit	-	1
Cash	249	93
Long lease property	81	389
Secured income	377	592
Liability driven investment	5,134	5,943
Currency Hedging	5	25
Current assets	22	33
	12,614	12,904

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22 Defined Benefit Pension Liability (continued)

Key Assumptions

	31 March 2024	31 March 2023
	% per annum	% per annum
Discount rate	4.91	4.85
Inflation (RPI)	3.12	3.18
Inflation (CPI)	2.79	2.78
Salary Growth	3.79	3.78
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 2024	31 March 2023
	Life expectancy (years)	Life expectancy (years)
Male retiring in 2023	20.5	21.0
Female retiring in 2023	23.0	23.4
Male retiring in 2043	21.8	22.2
Female retiring in 2043	24.4	24.9

23 Operating Leases

	2024	2023
	£'000s	£'000s
Future minimum lease payments due are as follows:		
Less than one year	65	69
Between one and five years	46	81
	<u>111</u>	<u>150</u>

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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.

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25 Reserves

Movement in funds

£'000s	At 31 March 2023	Income	Expenditure	Investment	Other	At 31 March 2024
<u>General</u> <u>Reserves:</u>	7,104	13,642	(10,494)	860	(4,529)	6,583
<u>Designated</u> <u>funds:</u>						
Fixed asset Fund	14,337	368	(1,414)	-	1,975	15,266
Pension Liabilities	1,325	-	(1,044)		-	281
Net Zero Fund					848	848
Development Fund					1,000	1,000
Benefits Equalisation					200	200
<u>Restricted</u> <u>Funds:</u>						
Capital fund	2,071	(32)	(135)	-	-1	1,903
Other Housing funds	32	-	-	-	-	32
First Steps to success	70	20	(35)	-	-	55
Covid recovery funds	14	-	(15)	-	-	(1)
Garden Studios	49	-	(2)	-	-	47
Wellbeing	45	4	(8)	-	-	41
Borne House					725	725
Other funds	71	80	(118)	-	-	33
<u>Endowment</u> <u>Funds:</u>	424	-	-	-	11	435
	25,542	14,082	(13,265)	860	229	27,448

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, designated as

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these are not readily available to be utilised in the day-to-day operations of the Charity.

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 deficit liability payments required, produced from the most recent full actuarial assessment, less the value of the creditor for pension liability shown on the balance sheet.

The net-zero fund is designated funding for specific work, in relation to surveys and assessments and initial insulation work required to our housing stock. The Development Fund is designed to invest in the transformation of services to meet evolving demands and digitalisation requirements. The Benefits Equalisation is to recognise the cost required to equalise staff benefits for different groups of staff who may have joined the Trust on different terms and conditions, which we are now seeking to harmonise.

Restricted Funds

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. The Borne House fund represents proceeds for sale from a disposal of an asset held under a historic restriction. Other funds represent all other restricted funds for non-housing related projects, including the Trust's Day Centres.

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25 Reserves continued - Analysis of Net Assets between Funds

£'000s	General Reserves	Designated Funds	Restricted Funds	Endowment Funds	Total Funds
Fixed Assets	7,627	39,857	1,903	435	49,822
Current Assets	4,413	-	932	-	5,345
Liabilities due within 1 year	(2,389)	(1,333)	-	-	(3,722)
Liabilities due after one year	-	(20,929)	-	-	(20,929)
Pension Liabilities	(2,865)	-	-	-	(2,865)
Other liabilities	(203)	-	-	-	(203)
Total	6,583	17,595	2,835	435	27,448

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 2024 services were purchased totalling £11,615 (2023: £17,952), 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 £54,531 (2023: £52,835) for the provision of business support functions for the Foundation.

At 31 March 2024 the amount due from The Varrier-Jones Foundation was £nil (2023: £nil). The amount due to The Varrier-Jones Foundation was £nil (2023: £nil)

The Varrier-Jones Foundation provides funding to the Trust. During the year, donations of £1,431,000 were received (2023: £1,300,000).

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27 Value for Money Metrics

27.1 Reinvestment

	2024	2023
	£'000s	£'000s
Reinvestment in housing stock is as follows:		
Capital works to existing properties	532	1,646
Total reinvestment	<u>532</u>	<u>1,646</u>
Historical cost of Housing Properties	<u>60,556</u>	<u>60,046</u>
Percentage of reinvestment	<u>0.9%</u>	<u>2.7%</u>

27.2 New Supply delivered

	2024	2023
New supply delivered is as follows:		
New supported living units	-	10
Total new units	<u>-</u>	<u>10</u>
Total Units owned	<u>669</u>	<u>669</u>
Percentage of new supply	<u>0.0%</u>	<u>1.5%</u>

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27 Value for Money Metrics (continued)

27.3 Gearing

	2024	2023
	£'000s	£'000s
Gearing is made up as follows:		
Loans due in less than one year	1,200	1,028
Loans due in more than one year	11,346	12,546
Cash held	(4,262)	(3,253)
Net debt held	<u>8,284</u>	<u>10,321</u>
Historical cost of Housing Properties	<u>60,556</u>	<u>60,046</u>
Gearing	<u>13.7%</u>	<u>17.2%</u>

27.4 Interest cover

	2024	2023
	£'000s	£'000s
EBITDA MRI is made up as follows:		
Operating Surplus for Social Housing Activities	251	468
Add back depreciation for Housing Units	1,267	1,230
Less Amortisation of government grants	(368)	(368)
	<u>1,150</u>	<u>1,330</u>
Interest payable	<u>629</u>	<u>486</u>
EBITDA MRI	<u>183%</u>	<u>274%</u>

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27 Value for Money Metrics (continued)

27.5 Social Housing costs per unit

	2024	2023
	£'000s	£'000s
Per unit housing costs is made up as follows:		
Management costs	896	790
Maintenance costs	879	788
Service charge costs	1,810	1,476
Depreciation	1,267	1,230
	<hr/> 4,852	<hr/> 4,284
Total number of units	<hr/> 669	<hr/> 669
Total cost per unit	<hr/> 7.3	<hr/> 6.4
	<hr/>	<hr/>

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27 Value for Money Metrics (continued)

27.6 Operating margin

	2024	2023
	£'000s	£'000s
Operating margin is made up as follows		
Operating surplus from general needs	130	216
Operating surplus from supporting living	121	252
Total Operating Surplus	<u>251</u>	<u>468</u>
Revenue from general needs	969	927
Revenue from supported living	4,134	3,825
Total revenue	<u>5,103</u>	<u>4,752</u>
Operating margin from general needs	13.4%	23.3%
Operating margin from supported living	2.9%	6.6%
Total operating margin	<u>4.9%</u>	<u>9.8%</u>

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

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27 Value for Money Metrics (continued)

27.8 Return on Capital Employed (ROCE)

	2024	2023
	£'000s	£'000s
ROCE is made up as follows		
Operating Surplus for Social Housing Activities	251	468
Gain on disposal of fixed assets	879	
Adjusted operating surplus	<u>1,130</u>	<u>468</u>
Net book value of housing properties	36,691	37,429
Current assets	5,345	4,434
Current liabilities	(3,722)	(3,422)
Total assets less current liabilities	<u>38,314</u>	<u>38,441</u>
ROCE	<u>2.9%</u>	<u>1.2%</u>

The Papworth Trust

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Honorary personnel, Trustees and senior managers

PATRON

Her Royal Highness the Duchess of Gloucester, GCVO

VICE-PRESIDENTS

Mr A Dasgupta MBE	Sir Hugh Duberly CBE LL	
Lady S Marshall	Mrs J P B G Pearson	Mrs M E Thomas CBE DL
Mrs J Womack	Mr G R W Wright DL	Mr R Hammond

CHAIR OF TRUSTEES

Brian Stewart OBE

VICE-CHAIR OF TRUSTEES

Vanessa Stanislas

HON. TREASURER

Mike Anderson

OTHER TRUSTEES

Grazina Berry

Mick Burgess – resigned 7 June 2023

Jane Carmichael

Amy Carter

Penny Metcalf – appointed 26 April 2023

Dominic Tait – appointed 26 April 2023, resigned 2 October 2023

Andrew Williams

Jack Hardiman – appointed 25 October 2023

EXECUTIVE TEAM

Sarah Miller	Chief Executive Officer
Mark Blake	Director of Finance and IT
Helena Harris	Director of Operations and Development (to Sept. 2023)
Sarah Harvey	Director of People and Culture

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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Report and Accounts for the year ended 31 March 2024

Principal Advisers and general Trust information

COMPANY SECRETARY

Mr M Blake

REGISTERED OFFICE

1 Saxongate
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PE29 3RR
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INVESTMENT MANAGERS

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The Papworth Trust

Report and Accounts for the year ended 31 March 2024

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