

 **inde**pendence
trust

Annual Report &
Financial Statements

For the year ended
31 March 2019



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Independence Trust

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Trustees and Advisors

Registered charity number	1083593 Registered as a Company Limited by Guarantee
Company Number	3989442
Trustees	Michael McCarthy, Chair (resigned December 2018) Jacob Berriman (Appointed July 2017, resigned September 2018) Graham Biggs (Appointed July 2017, resigned November 2018) Sonia Higgins (Appointed July 2017, resigned December 2018) James Williamson (Appointed July 2017, resigned December 2018) Paul O'Driscoll (Appointed July 2017, resigned December 2018) Duncan Forbes (Appointed September 2018, resigned December 2018) Alison Taylor (Appointed December 2018, resigned March 2019) Elizabeth Walford (Appointed December 2018, resigned March 2019) Gillian Jones (Appointed December 2018, resigned March 2019) Ruth Cooke (Appointed December 2018, resigned March 2019) David Lincoln (Appointed December 2018) John Cross, Chair (Appointed December 2018) Hillary Gardner (Appointed December 2018) Philippa Jones (Appointed December 2018, resigned April 2019) Paul Smith (Appointed December 2018) Richard Woolley (Appointed April 2019)
Secretary	Jennifer Hayball (appointed July 2017, resigned September 2018) Richard Woolley (appointed September 2018, resigned March 2019) Nicola Griffiths (appointed March 2019)
Registered Office	Independence Trust c/o Herefordshire Housing Limited Legion Way Hereford
Auditor	KPMG LLP One Snow Hill Snow Hill Queensway Birmingham B4 6GH
Solicitor	Anthony Collins 134 Edmund Street Birmingham B3 2ES
Banker	Barclays Bank Plc.

Independence Trust

Report and financial statements for the year ended 31 March 2019

P O Box 3333
One Snowhill
Snow Hill Queensway
Birmingham
B3 2WN

Independence Trust

Report and financial statements for the year ended 31 March 2019

Report of the Trustees

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

The organisation is a charitable company limited by guarantee incorporated on 10 May 2000 and registered as a charity on 22 November 2000. The Company was established under a Memorandum of Association which defined the objects and powers of the company and it is governed under its Articles of Association.

At the Board meeting on 12 March 2014, the Trustees agreed to admit Herefordshire Housing Limited (HHL) as the sole member of Independence Trust and effectively became part of the Herefordshire Housing Group. An Intra-group agreement is in place which details the roles and responsibilities of each party.

Herefordshire Housing Limited is a not-for-profit private company limited by guarantee and is registered with the Regulator of Social Housing as a social housing Registered Provider. Herefordshire Housing Limited was registered as a charity on 16 September 2004.

On 27 July 2017 Herefordshire Housing Limited and its associated subsidiaries including the Independence Trust joined with Shropshire Housing Group and its associated subsidiaries to form Connexus Housing Ltd.

The Board of Trustees and Directors

The Board and Directors of the Group, who served until 31 March 2019, are listed on page 3.

The Board of Trustees has responsibility for the overall management and performance of the Company, its strategy and planning, including strategic objectives, financial viability, internal controls and risk management. The Board has delegated day to day management of the Company to the Management Team. Where appropriate, the Board delegates specific responsibilities to Committees of the Parent Board under approved Terms of Reference.

In February 2019, Anne Sutcliffe retired from her position of Director of Independence Trust and was succeeded by Christine Duggan, formerly Director of Homes and Communities. To provide clarity of responsibility Christine's title changed to Director of Housing and Wellbeing. She reports directly through the Board and Committees. Simon Herdsfield, Head of Wellbeing and Contracts, is responsible for the day-to-day management of the services.

Independence Trust

Report and financial statements for the year ended 31 March 2019

Report of the Trustees (continued)

Appointment of Trustees

As set out in the Articles of Association, Trustee membership consists of at least 3 but not more than 10 individuals. Ideally the board shall consist of 7 Trustees and up to 15 March 2018 the parent, placed two of its ordinary board members onto the Independence Trust board. Up until 15 March 2018 Herefordshire Housing could appoint a majority in number of Trustees at any one time up to a maximum of 6. Since 15 March 2018 all Trustees of the Independence Trust are also coterminous Board members of Connexus Housing Ltd with the exception of Paul Driscoll who is a co-opted member.

A Trustee's term of office is three years, commencing from the date of appointment. A Trustee may be re-appointed for further terms of office, subject to a maximum of three consecutive terms. David Lincoln's term of office has been extended for a maximum of 1 year due as agreed by the Connexus Housing Limited Board and IT Board (at Enterprise & Development Committee) as both Boards were mindful of the regulatory expectations but noted that these were exceptional circumstances and this was the best way to manage the transition.

The overall Group parent, Connexus Housing Ltd has signed up to the National Housing Federation's (NHF) Code of Governance, including its best practice recommendations and guidance on recruitment. Whilst the Independence Trust is not affiliated to the NHF, the same principles are adopted by the Independence Trust. In line with this, recruitment to the Board is open and transparent and based on the Board's view of the skills and attributes it needs to be able to effectively conduct its business. Beyond this, the ability to challenge and provide independent thinking are key skills required as well as an individual's professional experience.

Induction and training of new Trustees

A resource pack for new Trustees has been developed and new trustees will be inducted on the same programme as new employees. Existing Trustees have access to, and are encouraged to participate in, all general and specific training courses provided by the parent organisation Connexus Housing Ltd.

Organisational structure

Members of the Board are Directors of the Company. They are also charity Trustees for the purposes of charity law. Under the company's Articles, the Trustees are elected at the Annual General Meeting and retire by rotation.

In order to fulfil its responsibilities, the Board of Trustees meets formally on a quarterly basis.

Related Parties

The Company holds memberships of all relevant national, sector specific & professional bodies. Locally the company is represented on all appropriate partnerships, forums and groups through which it can further its objects.

Political and charitable gifts

Independence Trust made no political or charitable gifts during the financial year (2018: £nil).

Independence Trust

Report and financial statements for the year ended 31 March 2019

Report of the Trustees (continued)

Public Benefit

In setting the Company's aims and objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees confirm that the Company complies with the public benefit criteria by:

- the provision of wellbeing, care and support services

Key Accounting policies

The principal accounting policies that have been used to prepare the financial statements of the Company are summarised in note 3.

Internal controls assurance

The Board is ultimately responsible for ensuring that the Company maintains a system of internal control that is appropriate to the business environments in which it operates.

Internal control systems are designed to meet the particular needs of the Company and the risks to which it is exposed. The Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate risk of failure to achieve business objectives.

The system of internal control is designed to manage key risks to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance with respect to:

- The reliability of financial and operational information and;
- Safeguarding the Company's assets and interests.

In meeting its responsibilities, the Board of Trustees and the Parent Board have both adopted a risk-based approach to internal controls which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Company is exposed, internally through the Management Team and externally through independent internal and external audit.

Regular management reporting on control issues provides assurance to successive levels of management and to the Board of Trustees and the Parent Board, with overview and structured feedback provided by the Group's Audit and Risk Committee.

The arrangements include a rigorous procedure, monitored by the Audit and Risk Committee, for ensuring that corrective action is taken in relation to any significant control issues.

The key elements of the internal control framework include:

- The Board being directly responsible for strategic risk management;
- Delegation of authority to the Audit and Risk Committee to monitor internal control;
- The Management team compiling, monitoring and reporting back to Board the key business risks;

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Report and financial statements for the year ended 31 March 2019

Report of the Trustees (continued)

- Monthly management accounts aligned to the needs of the business providing reliable, relevant and up to date financial information with significant variances investigated in a timely way.;
- Significant new initiatives being evaluated and approved in accordance with the Standing Orders and Financial Regulations of the Group and also a new set of Business Threshold questions that evaluate the viability and strategic relevance of all proposed new business ventures; and
- HR policies and procedures designed to ensure that all colleagues are aware of their roles and responsibilities in terms of the internal control framework.

The Board confirms this framework has been in place throughout the financial year 2018-19 and up to the date of signing these financial statements.

The internal audit service for the Company is provided by Beever and Struthers Limited, the auditor of the parent, Connexus Housing Limited. The Trustees consider that most risks are systematically identified and mitigated to reasonable levels especially through the committee structure and management team. There is a Group wide risk strategy that covers all aspects of the work of Independence Trust. Three of the Trustees are members of the Group Audit and Risk Committee.

Going concern

After making enquiries, the Trustees have a reasonable expectation that the Company, with a 2019/20 surplus budget of £52,344 and reserves at 31 March 2019 of £261,578 has adequate resources to continue its operational activities for the foreseeable future, being a period of twelve months after the date on which the report and financial statements were signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Herefordshire Housing Limited, and its successor body, as 100% shareholder of Independence Trust, and Connexus Housing Ltd as overall Group parent, will continue to provide financial and other support to Independence Trust.

OBJECTIVES AND ACTIVITIES

Objectives and aims

What is Independence Trust?

Independence Trust is a "not for profit" charity and company limited by guarantee. It provides what the company describes as 'Total Wellbeing' in the form of, support, care and other wellbeing services in local communities across Gloucestershire, Herefordshire, Worcestershire and Shropshire. Our national Careline service supports over 40,000 individuals. Services are provided both directly by Independence Trust and on behalf of Herefordshire Housing Limited.

The purpose of the charity as set out in its governing document is to advance health and wellbeing, especially in relation to people at risk because of alcohol and substance misuse or behaviours, mental health or cognitive conditions.

The history of Independence Trust goes back to 1963. Through a series of organisational and name changes we have been supporting people's independence and providing associated services since then. We have developed choices for people by adhering to our prime charitable objectives,

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Report and financial statements for the year ended 31 March 2019

Report of the Trustees (continued)

measuring our impact and responding within that framework to what people say they need within the resources available to us.

For more than 50 years we have grown through innovative new activity as well as mergers with local charities. We were previously known as Substance Misuse Services – Gloucestershire Limited from 2000 to 2006 and subsequently Inglos Limited until 2009. Independence Trust was created in 2009 and joined the Herefordshire Housing Group on 1 April 2014 and Connexus Housing Ltd on 27 July 2017.

Who do we support?

We have long experience, skills and an enviable reputation in working to strengthen people's mental and physical health and wellbeing where their behavior or condition does or can cause problems for them, their families or their community.

Since joining the Herefordshire Housing Group the Independence Trust has offered individuals, families and communities additional assistance via the services we manage on behalf of Herefordshire Housing Limited. These include;

- Our national Careline telecare monitoring service
- Falls Responder Service,
- Falls Care Navigator Service,
- Mobile Responder Service,
- Care and support services at Henffordd Gardens (ceased November 2018)
- Care Quality Commission registered services such as Domiciliary Care. (ceased November 2018)

The overall wellbeing and support offer we provide from Connexus now includes Independent Living Services, Homes for Older People, a Foyer and outreach service for young people in South Shropshire, the Shropshire Domestic Abuse Service and a range of supported tenancies and floating support services. In the coming years we look forward to extending the reach and influence of all of our wellbeing and support services within our core geography of Gloucestershire, Herefordshire and Shropshire.

Through our Wellbeing, Living Well and Community Wellbeing Services, the Independence Trust supports a range of people in Gloucestershire and Worcestershire including those:

- living with a mental health condition
- people living with dementia
- people who need and want support to have a 'good day' (for example to maintain safe and secure housing),
- who are socially and financially excluded and
- who want to find a socially cohesive interdependent social network
- who want to change their behaviour e.g. weight management and smoking cessation.

We think of our service model as 'Total Wellbeing' and we relate this to the quality of day to day living that individuals and communities seek to experience. Wellbeing is influenced by a whole range of factors including safe and secure housing, social networks and relationships; good physical and

Independence Trust

Report and financial statements for the year ended 31 March 2019

Report of the Trustees (continued)

mental/emotional health; occupation in its broadest sense; and the financial resource to maintain a sustainable level of self-determination in day to day living.

Total Wellbeing for individuals and communities is an ambition for both the Independence Trust and the entire Connexus Group. It underpins all of our services and employment of colleagues (including volunteers and mentors).

What informs our approach?

Our approach is underpinned by our Connexus PRIDE values (Passionate, Respectful, Involving, Determined and Effective) as well as the objects of the charity – ‘to advance health, especially in relation to people at risk because of alcohol and substance misuse or behaviours, mental health or cognitive conditions’.

To support our approach we hold the following beliefs:

- All people regardless of their vulnerability or difference have an equal right to wellbeing.
- The people we support can build their potential for wellbeing and independence.
- That individuals, families and communities have untapped abilities and positive assets that can be harnessed to bring about sustained change.
- Building positive relationships adds value and benefit to everything we do with clients, other agencies and communities.
- Communities have the potential to be hospitable and accepting of people who are vulnerable or different.
- That talent in the colleague team (including volunteers, mentors and Trustees), needs to be recognised and developed.
- Only by operating in an open and transparent way can we meet our mission.

Using a ‘co-production’ approach we strive to build positive hope and ambition into all aspects of our work, building on the aspirations and strengths of individuals, families and communities – who are, themselves, the experts. Examples include: abstinence where the client wants this; living life independently and every day in the community; having a new career, making healthier choices about food and exercise. We challenge where people become stuck in services and we aim to support the people who work in the public, voluntary and private sector in their many roles and responsibilities.

Review of the past 12 months

At the start of 2018 Independence Trust Ltd had 3 contracts:

- Gloucestershire Mental Health and Wellbeing contract, this had previously been extended by two years in 2017 and ended in March 2019. The service was retendered in October 2018 and split into two separate contracts, Community Advice, Links and Mental Health Support (CALMHS) Service and Community Autism Support and Advice Service (CASA). Independence

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Report and financial statements for the year ended 31 March 2019

Report of the Trustees (continued)

Trust put together a very strong submission for both lots and were awarded both contracts against very stiff competition from both local and national providers.

- The Living Well contract for Worcestershire was due to end in March 2018 but we were able to secure a further year extending it to March 2019. This service was not retendered but Independence Trust used their extensive experience to bring this contract to a successful conclusion leaving a legacy within the communities in Worcestershire
- In October 2017 Independence Trust was awarded the Community Wellbeing contract for the Stroud and Berkley Vale locality, a 5 year contract at twice the contract value of the previous Social Prescribing Gloucester service.

In an environment of continuing reductions in public sector budgets it is becoming increasingly difficult to find attractive new business opportunities that not only meet our core focus but also provide a positive financial contribution to the Trust's accounts. It is therefore a significant achievement to report that not only is Independence Trust continuing to win new contracts but the strong financial management of both new and existing business has resulted in the Trust being able to make these services both successful and profitable.

Our nationally recognised Careline service continues to establish itself as one of the top 5 providers in the UK. Over the past year, Careline has increased its customer base by over 1,500 customers. A significant shift towards new technologies, in particular GPS monitoring devices, has enabled Careline to position itself as one of the leading providers of this type of equipment.

In February 2018, we received confirmation that the highly successful Falls Responder Service in Herefordshire would be extended for a further 12 months to March 2020. This is the fourth extension we have received through the Herefordshire Clinical Commissioning Group and is a testament to how highly regarded this service is within the county

In March 2018, the pilot Falls Care Navigator service was extended for a further 6 months to end in September 2019. We continue to work with the local authority to secure a longer extension and have been actively looking for alternative funding sources.

This layering of services approach is highly attractive to Commissioners and is seen as an innovative approach to known gaps in support services.

Independence Trust recognises the need to support the growth of services through proactive in-house business development and up to date market intelligence is vital in achieving our broadening aspirations for future work.

The services we provide

Wellbeing services – From April 2014 we began a contract to provide Wellbeing Services for people with mental health issues, social isolation and Autistic Spectrum Disorders in Gloucestershire. Over the last three years we have transformed those services. Many are now peer led and the communities are engaged in wellbeing through the GLOSSE scheme (Gloucestershire Safe and Social Environments). We have made all of the changes with people who use the services and their

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Report and financial statements for the year ended 31 March 2019

Report of the Trustees (continued)

families; the local communities and the Independence Trust colleagues and we are confident that our services are valued by those who use them. The contract was reviewed in 2016 and was extended for a further 2 years to March 2019. The contract was recommissioned in autumn 2018

In December 2018 we were successful in our submission for the Community Advice, Links and Mental Health Support Service. The contract is for 5 years commencing on 1 April 2019. It will enable service users with serious mental illness and common mental health conditions to live inclusively within their local communities through non-medical interventions and will provide one element of the recovery pathway within Gloucestershire.

We were also successful in our bid for the newly commissioned Community Autism Support and Advice Service for Gloucestershire (CASA). The contract is for 5 years and will provide a post diagnostic support for individuals with Autism Spectrum Conditions in Gloucestershire.

Living Well - The Living Well contract is commissioned by Worcestershire County Council. The contract was tendered in 2014 as a new service to replace the Health Trainer Service delivered by Worcestershire Acute Hospital NHS Trust. The contract commenced on 1 April 2015 and was due to cease on 31 March 2018. We were successful in securing a further 1 year extension to this contract to March 2019. We successfully brought this service to a close on the 31 March 2019 and notably received acclaim from commissioners on how Independence Trust managed to leave a strong legacy in the communities in which they served

Community Wellbeing Service Stroud and Berkley Vale - In October 2017 we commenced this service for this locality, one of 5 providers for the county. This service replaced the Social Prescribing and Village Agent provision across the county. The service provides a conduit to refer clients with social, emotional or practical needs to non-clinical services. By improving mental wellbeing it helps to reduce social isolation and exclusion, offering a range of alternative support mechanisms. Local knowledge is key to enable effective signposting to appropriate agencies. The contract is for 5 years and secures our presence in the Stroud locality working alongside the Mental Health and Wellbeing Service

Falls Responder Service – This exciting service started in November 2014 across Herefordshire. Funded by the Clinical Commissioning Group (CCG), Herefordshire Council and the Group it consists of mobile units that attend people's homes when they have a non-injurious fall - meaning that an ambulance does not have to attend and the person does not have to go to hospital. The service is highly regarded by the CCG and has been extended for a further year until March 2020. The service attends over 1,100 call outs per annum.

Mobile Responder Service – This County wide 24/7 365 day service started in the summer of 2015 and provides a personal on site response for Careline customers for a small weekly subscription.

The service offers peace of mind to customers and their families in the event a personal response is required other than where emergency service attendance is necessary. Over 159 individuals subscribe to this service.

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Report and financial statements for the year ended 31 March 2019

Report of the Trustees (continued)

Falls Care Navigator Service - This service started in January 2018 following our successful bid for 1 year funding through the Improved Better Care Fund. We were very pleased to secure this funding as it fully supports our strategy of layering services into place. One of the consequences of our successful Falls Responder Service is that it identifies individuals, who for whatever reason, are repeat fallers but do not engage with current support services. Utilising 1-2-1 support our colleagues in the service work with these individuals to reduce the likelihood of falling and signpost to appropriate agencies resulting in improved outcomes for individuals and reduction of isolation. Through the Improved Better Care Fund we have been able to secure a 6 month extension to September 2019. It is unlikely that this service will be extended further due to the Councils financial pressures

Careline – This is a nationwide service and the 5th largest in the country. It provides 24/7 monitoring for over 40,000 people in their homes to promote and maintain independence. It is accredited by the Telecare Services Association (TSA) for its monitoring, installation and responder services. Careline continues to achieve growth in number of customers supported by the service. This is not only achieved through our very successful record in winning tenders but also through word of mouth and reputation as a provider who is willing to work with customers to test new digital technologies through our monitoring centre. Most recently, this has been evidenced through the expansion of GPS technology which means people can benefit from the reassurance that help can be summoned wherever they are and not restricted to site based technology provided through static landlines.

The Group's Telecare installation and maintenance service now operates across Shropshire, Herefordshire and Monmouthshire, covering an area of over 4,000 square miles

Henffordd Gardens – We are proud of our award-winning development in Hereford City Centre that consists of 30 fully technology enabled apartments for people with a cognitive disorder including mild to moderate dementia. The development also provides an on-site café. The Enhanced living Scheme helps people to live independently but also provides the care and support element for a minimum 10 hours per week that negates the need to move to residential and extra care settings. Until recently the Domiciliary Care provision was provided by our own CQC registered care team but following a strategic decision based on risk and profitability to withdraw from the market this service is now commissioned by Herefordshire Council to a separate CQC registered provider.

Mental Health Project – This service funded by Herefordshire Council supports people struggling with mental health issues to maintain their independence and tenancy by providing 1:1 support in their own home. In line with our decision to withdraw from the CQC registered services, a decision was taken to cease the support element of this provision in September 2018. We do however continue to provide accommodation to individuals who were in our service at the time of exiting the support element.

Volunteering to Mentoring – Within many of our services the role of the volunteer is vital to the success of the contracts we operate. Volunteering is core to our being a vibrant community organisation. We view the development of volunteering as our contribution to the local economy, as many of our mentors and volunteers use this process as a pathway to work. The quality of this work

Independence Trust

Report and financial statements for the year ended 31 March 2019

Report of the Trustees (continued)

is recognised through the award of Investing in Volunteers status and the Approved Provider Standard.

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

The people who commission our services or give us grants

Independence Trust has a proud record of providing services that commissioners want. We are commissioned to provide services by District and County Councils; Health and CCG's; Housing Associations and many other public sector bodies across Gloucestershire, Herefordshire and Worcestershire plus nationally for Careline.

Independence Trust applies to charitable trusts for funds to further its objects. This is particularly relevant for funding innovation or research that we undertake.

How our activities deliver public benefit

Our activities are open to anyone requiring them. Many of our services are co-produced with the people who use them. All members of the community can take advantage of them. The benefit is for individuals, families, communities and the public sector.

The primary benefits are:

- Support to make changes in behaviour that cause problems in individuals, families and communities.
- Support to live more resourcefully for example with a mental health condition.
- Support to live more healthily and to be included in the mainstream.
- Support for the local economy of organisations and the public sector.

To provide these benefits professionally and safely, we train and support colleagues (employees, volunteers and mentors) to a high standard with the associated professional development safeguards. We *listen* to what people who use our services tell us and we *respond* to feedback and complaints. We work to nationally agreed evidence-based practice and quality standards

Independence Trust

Report and financial statements for the year ended 31 March 2019

Report of the Trustees (continued)

FINANCIAL REVIEW

Independence Trust Limited reported a deficit of £66,469 for the 12 months ended 31 March 2019, compared to a surplus of £57,647 in the previous year. However, the underlying financial performance improved with a surplus of £123,794 being generated before exceptional items which compares favourably to the previous year.

The significant factors affecting finances in the year are explained below:

- Income from charitable activities increased by £71,327 (5%) to £1.39m from £1.33m in the previous 12 months. The increase is largely due to the positive performance of the "payment by result" element of the Living Well contract against the targeted measures.
- The increase in income, however, was offset by higher expenditure on charitable activities of £195,501 when compared to the previous 12 months.
- Exceptional costs incurred on redundancy related payments, following the closure of the Living Well contract, accounted for most of this adverse variance. There was also a higher than anticipated provision for dilapidations at the Mill Place office.

The focus for 2019-20 will be working with commissioners to develop the existing contracts, including the newly awarded Mental Health and Autism Contract for Gloucestershire, and securing business in line with future strategic plans.

In summary, it has been a positive year in terms of financial performance for the Independence Trust, and also being awarded the Gloucestershire Mental Health and Autism contracts for a further 5 years minimum period. With a focus on improving contract income, and closely monitoring operating costs, Independence Trust delivered a surplus for 2018-19, before exceptional items.

Total unrestricted reserves carried forward at the year-end amounts to £261,578 (2018: £328,047).

Investment Policy

Independence Trust receives funding throughout the year from a variety of sources and most of the funding is expendable within a twelve month period. Ease of access to liquid funds is necessary to maintain cash flow and therefore the Board of Trustees does not consider long term investments to be appropriate. Surplus funds are currently placed on deposit in accordance with the Group Treasury Management Policy.

Reserves Policy

The reserves policy reflects the organisation's underlying requirement to fund day to day discretionary activities. The reserves are needed to meet the working capital requirements of the charity and Management are confident that at the current balance of £261,578 they would be able to continue the current activities of the charity given continued tight financial cost controls, and a 2019-20 approved budget to deliver a surplus.

FUTURE PLANS

We will continue in 2019/20 to work to secure the longer-term future of our existing services and to identify and secure new business. We will continue to invest in establishing strategic partnerships with commissioners and local providers to create viable consortia that can give the best of offers to commissioners. The market place is becoming more crowded and competitive. We will seek to develop new service options for people as a method of maintaining long term sustainability.

Within the larger Connexus Group we want to extend the reach of our existing services and diversify into new markets in our core geographical area layering services to achieve economies of place and an improved more holistic experience for customers.

We will continue to improve and innovate our existing services using emerging evidence and technology. Improving services is dependent on a thriving, competent and confident work force.

We will continue to provide the environment where people can develop and blossom, including our large group of volunteer and mentors. We will continue to develop a co-productive approach to all of our work and provide evidence that this is right for people and for the organisation.

As a group we will continue to make the change including using emerging technology as a method of remaining effective and competitive.

Independence Trust

Report and financial statements for the year ended 31 March 2019

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

The Trustees are responsible for preparing the Trustees' Annual 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 are required 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 charitable company and of the excess of income over expenditure 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company 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 charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditor

The Board Members who held office at the date of approval of these financial statements confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware. Each Board Member has taken all the steps that they ought to have taken as a Board Member to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

KPMG LLP were appointed as external auditor on 24 November 2015. A resolution to reappoint KPMG LLP, as independent auditor, will be put to the members at the annual general meeting.

Independence Trust

Report and financial statements for the year ended 31 March 2019

The report of the Trustees and the financial statements were approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'John Cross', written over a horizontal line.

John Cross

Chair of the Board of Trustees

19 September 2019

Independent auditor's report to the members of Independence Trust

Opinion

We have audited the financial statements of Independence Trust ("the charitable company") for the year ended 31 March 2019 which comprise the Statement of Financial Activities, Balance Sheet, and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Brexit other matter paragraph

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independent auditor's report to the members of Independence Trust (continued)

Other information

The directors are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- We have not identified material misstatements in the other information;
- In our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- In our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to take advantage of the small company's exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the members of Independence Trust (continued)

The purpose of our audit work and to whom we owe our responsibilities

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



Sarah Brown (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill, Snow Hill Queensway
Birmingham B4 6GH

2 October 2019

Statement of Financial Activities

	Note	Unrestricted funds	Restricted funds	Total funds	Prior period Total funds
		£	£	£	£
Income and endowments from:					
Charitable activities		-	1,397,222	1,397,222	1,325,895
Investments		-	-	-	-
Other		668,072	-	668,072	711,919
Total		668,072	1,397,222	2,065,294	2,037,813
Expenditure on:					
Raising funds		-	-	-	-
Charitable activities		-	(1,463,618)	(1,463,618)	(1,268,117)
Other		(668,072)	-	(668,072)	(711,919)
Interest payable and bank charges		-	(73)	(73)	(131)
Total		(668,072)	(1,463,691)	(2,131,763)	(1,980,167)
Net gains/(losses) on investments		-	-	-	-
Net income/(expenditure)		-	(66,469)	(66,469)	57,647
Transfers between funds	13	(66,469)	66,469	-	-
Other recognised gains/(losses):					
Other gains/(losses)		-	-	-	-
Net movement in funds		(66,469)	-	(66,469)	57,647
Reconciliation of funds:					
Total funds brought forward		328,047	-	328,047	270,400
Total funds carried forward		261,578	-	261,578	328,047

Independence Trust

Report and financial statements for the year ended 31 March 2019

Balance Sheet as at 31 March 2019

		Total funds	Prior year Funds
		£	£
Fixed assets:			
Tangible Assets	8	3,404	9,180
Investments	9	-	-
		<u>3,404</u>	<u>9,180</u>
Current assets			
Debtors	10	89,038	157,657
Cash and cash equivalents		<u>529,046</u>	<u>389,380</u>
		618,084	547,037
Creditors:			
Amounts falling due within one year	11	<u>(285,300)</u>	<u>(207,642)</u>
Net current assets		<u>332,784</u>	<u>339,395</u>
Total assets less current liabilities		<u>336,188</u>	<u>348,575</u>
Provisions for liabilities	12	<u>(74,610)</u>	<u>(20,529)</u>
Total net assets		<u>261,578</u>	<u>328,047</u>
Capital and reserves			
Restricted income funds		-	-
Unrestricted funds		<u>261,578</u>	<u>328,047</u>
		<u>261,578</u>	<u>328,047</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Charities SORP Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective January 2015.

The financial statements were approved by the Board of Trustees on 19 September 2019 and were signed on its behalf by:

John Cross

Chair of the Board of Trustees

19 September 2019

Independence Trust

Report and financial statements for the year ended 31 March 2019

Notes to the Financial Statements

1. Legal status

Independence Trust is a charitable company limited by guarantee, incorporated on 10 May 2000 and registered as a charity on 22 November 2000.

2. Going Concern

After making enquiries, the Trustees have a reasonable expectation that the Company with a 2019-20 budget set to make a surplus, has adequate resources to continue its operational activities for the foreseeable future, being a period of twelve months after the date on which the report and financial statements were signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Herefordshire Housing Limited, as 100% shareholder of Independence Trust, will continue to provide financial and other support to Independence Trust.

3. Accounting policies

The following accounting policies have been adopted as being appropriate to the Company's circumstances with regard to giving a true and fair view and have been applied consistently in dealing with items which are considered to be material in relation to the Company's financial statements.

a. Cash flow

The Company is exempt from producing a cash flow statement in accordance with FRS102.

b. Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

c. Incoming resources

All incoming resources are included in the Statement of Financial Activities where the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Notes to the Financial Statements (continued)

c. Incoming resources (continued)

The following policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Other income represents recharges to Herefordshire Housing Limited for the full cost of providing Care and Support services.

d. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis (floor area, employee costs) or estimated usage.

e. Reserves

Independence Trust has a general reserve that is unrestricted and can be applied freely, at the discretion of the Company (within its powers). The Company has not earmarked any of this reserve, as a designated reserve, at this point in time.

Restricted funds can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Independence Trust

Report and financial statements for the year ended 31 March 2019

Notes to the Financial Statements (continued)

f. Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use. The costs of minor additions or those costing below £1,000 are not capitalised.

Depreciation (to residual value) is charged on a straight line over the expected useful life of the asset from the month of acquisition, at the following annual rates:

Computers and other equipment	15% - 33%
Vehicles, Plant and Equipment	20% - 33%
Furniture, fixtures and fittings	25%
Leasehold offices	Over the period of the lease

g. Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

h. Provisions

Where properties are leased a provision will be made for dilapidations where specified in the terms of the lease based on the annual rent for that property.

i. Pensions

Independence Trust operates a defined contribution pension arrangement through Scottish Widows, and the NHS pension available to a limited number of employees who were TUPE transferred into the Trust in 2011/12.

In accordance with statutory obligations Independence Trust auto-enrol colleagues who are not members of the existing pension schemes into the Social Housing Pension Defined Contribution scheme.

j. Investments

Investments are stated at market value and the increase or decrease in value at the end of the year is taken to or deducted from reserves.

k. Taxation

Independence Trust is recognised as an exempt charity for tax purposes and is therefore not liable to corporation tax on surpluses.

l. Value Added Tax

The Group is registered for VAT. The Company is registered within the Group for VAT purposes. No VAT is liable on charges between the Company and the parent.

Independence Trust

Report and financial statements for the year ended 31 March 2019

Notes to the Financial Statements (continued)

4. Net incoming/(outgoing) resources

Net resources are stated after charging:

	2019	2018
	£	£
Depreciation - owned assets	5,746	16,726
Auditors remuneration (excluding VAT)	6,300	5,250
Exceptional items	190,263	11,763

Auditor's remuneration relates to the costs in respect of the provision of external audit services.

Exceptional costs incurred in 2019 represent employee redundancy related payments.

5. Trustees' remuneration and benefits

Trustee services are provided by the parent, Connexus Housing Limited, and recharged to the Company as a corporate charge.

Remuneration of Trustees is permitted in accordance with the provision in the governing document of the charity. Trustees receive no other employment benefits.

The Trustees who served during the financial year, are listed on Page 3.

6. Directors' emoluments

Director services are provided by the Parent Company for which a charge of £5,988 has been made (2018: £5,988).

Independence Trust

Report and financial statements for the year ended 31 March 2019

Notes to the Financial Statements (continued)

7. Employees

	2019	2018
	£	£
Wages and salaries	1,535,385	1,385,704
Social security costs	90,600	88,610
Other pension costs	57,689	60,315
	1,683,674	1,534,629

Independence Trust provides colleague resources to the parent company Herefordshire Housing Limited for the delivery of a number of Independent Living services (Careline, Falls Responder and Care & Support). The total amount of employee costs recharged to the parent company for these services was £668,072 (2018: £711,919).

No employees had emoluments in excess of £60,000 (2018: nil).

The average monthly headcount was 100 colleagues (2018: 105) and the average monthly number of full-time equivalent colleagues expressed in 37-hour full-time equivalents (full-time staff actually work 37 hours) was 54 (2018: 58).

£13,214 of leave pay was provided for colleagues permitted to carry forward unutilised holidays into the following year. The leave year runs from April through to March.

Average monthly number of staff employed during the financial year:

	2019	2018
	Number	Number
Wellbeing Services	49	46
Independent Living Services provided to Parent Company	45	52
Management	6	7
	100	105

Average monthly number of employees expressed in 37-hour full-time equivalents:

	2019	2018
	Number	Number
Wellbeing Services	34	33
Independent Living Services provided to Parent Company	16	22
Management	4	3
	54	58

Independence Trust

Report and financial statements for the year ended 31 March 2019

Notes to the Financial Statements (continued)

8. Tangible Assets

	Improvements to property £	Furniture & Equipment £	Computer equipment £	Total £
Cost				
As at 1 April 2018	59,870	42,969	68,620	171,459
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2018	59,870	42,969	68,620	171,459
Accumulated depreciation				
As at 1 April 2018	58,948	42,969	60,363	162,279
Charge for Period	552	-	5,223	5,775
Disposals	-	-	-	-
As at 31 March 2019	59,500	42,969	65,586	168,055
Net Book Value				
As at 31 March 2019	370	-	3,034	3,404
As at 31 March 2018	922	-	8,258	9,180

9. Loss on disposal of assets

	2019 £	2018 £
Disposal Proceeds	-	-
Carrying value of fixed assets	-	-
(Deficit) / surplus on disposal of fixed assets	-	-

Independence Trust

Report and financial statements for the year ended 31 March 2019

Notes to the Financial Statements (continued)

10. Debtors

	2019	2018
	£	£
Due within one year:		
Trade debtors	68,523	132,449
Other debtors	-	122
Amounts owed by parent company	-	-
Prepayments	20,515	25,086
	89,038	157,657

11. Creditors

	2019	2018
	£	£
Due within one year:		
Trade creditors	54,540	-
Amounts owed to parent company	115,940	82,178
Other creditors	36,483	27,750
Deferred income	66,667	87,371
Accruals	11,670	10,343
	285,300	207,642

12. Provisions for liabilities

The provision for liabilities amounting to £74,610 (2018: £20,529) relates to potential dilapidations for leasehold premises required when the leases expire as well as a provision for accrued holiday pay.

Independence Trust

Report and financial statements for the year ended 31 March 2019

Notes to the Financial Statements (continued)

13. Movement in funds

	1 April 2018 £	Net Movement in Funds £	Transfers between Funds £	31 March 2019 £
<u>Unrestricted Funds</u>				
General Funds	328,047	-	(66,469)	261,578
<u>Restricted Funds</u>				
Wellbeing Services	-	(66,469)	66,469	-
	-	(66,469)	66,469	-
Total Funds	328,047	(66,469)	-	261,578
Net movement in funds included in the above are as follows:				
	Incoming Resources £	Resources Expended £	Gains & Losses £	Movement in Funds £
<u>Unrestricted Funds</u>				
General Funds	640,924	(640,924)	-	-
<u>Restricted Funds</u>				
Wellbeing Services	1,397,222	(1,463,691)	-	(66,469)
	1,397,222	(1,463,691)	-	(66,469)
Total Funds	2,038,146	(2,104,616)	-	(66,469)

Restricted Funds

Restricted funds can only be used for particular purposes within the objects of the charity. Restrictions arise when funds are received for particular restricted purposes.

Unrestricted Funds

Unrestricted funds represent recharges from Independence Trust to other entities within the group for services provided.

Independence Trust

Report and financial statements for the year ended 31 March 2019

Notes to the Financial Statements (continued)

13. Movement in funds – continued

Transfers between funds

Transfers are made between restricted and unrestricted funds at the end of every accounting period in cases where:

- I.) The activity of the restricted fund has come to an end and there is an unspent balance that is not repayable to the funder(s), when the surplus is transferred to unrestricted funds; and
- II.) The restricted fund is in deficit and has either come to an end or there is no prospect of a surplus in a later period, when the deficit is eliminated by transfer from unrestricted funds.

14. Contingent liabilities

Various funders retain the right to claw back grants should the use of the funds not be in accordance with the terms of the grant. In the opinion of the Trustees no such liability exists at the year end.

15. Related party transactions

The Company is a wholly owned subsidiary of Herefordshire Housing Limited. The directors of the Company are employees of the parent, Herefordshire Housing Limited.

Herefordshire Housing Limited recharges Independence Trust for the provision of Director Services provided by the Group.

Independence Trust provides Care and Support Services to Herefordshire Housing Limited for which costs are fully recharged.

16. Post balance sheet events

There are no significant post balance sheet events requiring adjustment to, or disclosure in, the financial statements.

17. Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary of Herefordshire Housing Limited, which itself is a subsidiary of Connexus Housing Limited, and has taken advantage of the following exemptions:

- Exemption from producing a cash flow statement in accordance with FRS102
- Exemption from disclosing transactions or balances with entities which form part of the Group.

The Company's parent undertaking, which is also the Company's ultimate parent undertaking, is Herefordshire Housing Limited, a company incorporated in Great Britain.

The consolidated financial statements of Connexus Housing Limited are available from the Company Secretary, The Gateway, The Auction Yard, Craven Arms, Shropshire, SY7 9BW.

Independence Trust
Report and financial statements for the year ended 31 March 2019
Notes to the Financial Statements (continued)