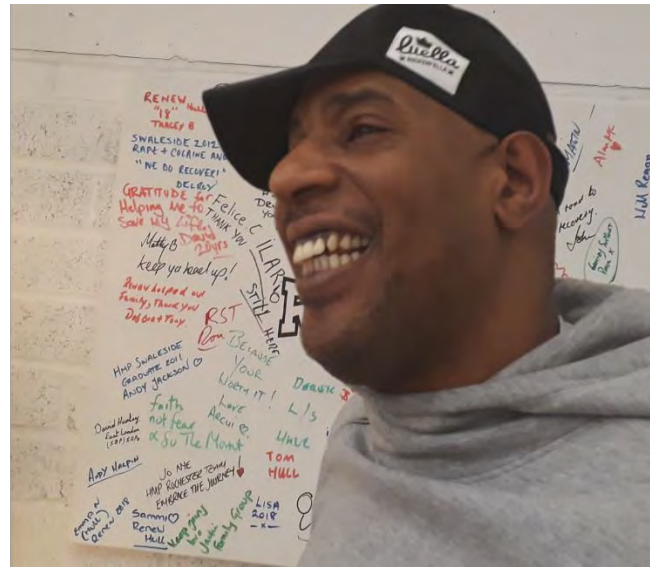


Forward



The Forward Trust

Annual Report and Consolidated Financial Statements

For the year ending 31st March 2020

Company Number: 02560474

Charity Number: 1001701

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TRUSTEES' ANNUAL REPORT



Introduction

We began the current reporting year with the aim to recover from two difficult years, both operationally and financially. We have had to adapt to be able to continue to deliver our core mission in a climate where the commissioning environment has become unsupportive of our vision of transformational change and sustained recovery, which at times has felt like a contracting race to the bottom.

Notwithstanding this, in many areas our charity has flourished, and we have been able to diversify our reach into new areas. This has always been done in a considered way and with a keen eye on our core mission of delivering lasting change.

During the year we have made further strides in our Employment Services division and are rapidly growing a reputation for delivery that has seen us succeed, even when up against the larger and more experienced providers in this area.

We have also transformed the immensely valuable, but not easily scalable housing model that we inherited as a result of our acquisition of Vision Housing last year, and we successfully commissioned our first Recovery Housing project during the year. Our Recovery Support team have an ambitious plan to further develop this model and expand into our key homelands in Yorkshire and the South East.

Our Prison Substance Misuse Division has, during the year, built on our fledgling delivery of the NHS Improving Access to Psychological Therapies (IAPT) programme, winning an exciting new contract to deliver this service across five prisons in Hertfordshire, Essex, and Suffolk.

Our financial performance turned a corner during the reporting year, and we will show within this report a healthy surplus that will largely recoup the reserves that we had to deploy during the previous two years.

The Board of Trustees confirms that this annual report and consolidated financial statements are made under charity law, provide a strategic report and directors' report, and are produced as required by company law.



Message from the Chair



This last twelve months has been an eventful period for this charity, and for the whole country. As I write we are still coming to terms with the continuing effects of the Coronavirus pandemic. The lockdown of the country and the economy began as the year under review was ending. It has had a dramatic effect on our services and how we are able to operate.

Fortunately, the serious restructuring that we initiated in 2018 has stabilised our finances. Having had to report two years of sizeable deficits in our accounts for 2018 and 2019, I am pleased to be able to say that the year under review shows a substantial surplus and consequent strengthening of our reserves. This has put us in a very strong position to face the uncertain future ahead for all charitable organisations. As ever, the credit for this lies with our excellent staff and senior management.

I am also very grateful to my colleagues on the board of trustees for their experience and judgement. In the year to 31st March 2020 there have been three changes to the membership of the board. Marsha Taylor, who had chaired our Governance and Quality Assurance Sub-committee, left the board in April 2019 after four years as a trustee. Her clinical experience and concise and incisive contributions in committee were vital as we expanded our clinical services and I express the thanks of all her fellow trustees for her service to the charity.



"When I walked into Forward's service I was at rock bottom. I'd lost everything I had through addiction – my business, my home and my relationship with my family. Forward, as well as the amazing counsellors who work for them, saved my life. Now I am clean and sober. I have a great relationship with my daughter and I have my life back."

AARON

Former Client, The Forward Trust

During the last year we have been able to recruit two new members to the board: Dame Clare Gerada MB BS, one of the country's leading experts on addiction and mental health, joined as a trustee in May 2019. We are incredibly lucky to have the benefit of her knowledge and unrivalled experience as a clinician. After some ten years as our Treasurer, Ben Houghton has stepped down from that role and also as chairman of our Finance & General Purposes Sub-committee. Ben has overseen our financial governance through a period of extraordinary growth

and change with copious common sense, calm authority, and good humour. I am delighted that he has agreed to remain as a trustee to help effect a smooth introduction into his role of our newest recruit, Tony Hazell. Tony is a very experienced and highly qualified accountant, who has enjoyed a distinguished career in management. I am happy to welcome him on to the board as Treasurer and Chair of the Finance & General Purposes Sub-committee.

While we are currently most concerned with the effects of the pandemic and how to respond to it, there are a number of important developments that have taken place in the past year which we can note with pride. Mike Trace will give fuller details in his section as Chief Executive, but I would like to mention two: Forward Connect, and More Than My Past.

The former is a new network of graduates of our programmes that gives a strong framework for the peer-to-peer support that is such a vital and effective part of the life-changing work that this organisation does. More Than My Past is an exciting campaign we have launched in the last year to publicise stories of successful recovery from addiction and crime. Our aim is to reduce the stigma traditionally attached to our client group, and to show how the transformative work we do, in encouraging individuals to turn their lives around, can bring great benefits to society as a whole. This mission, helping individual human beings to take responsibility for their own recovery, lies at the heart of all we do, and is the touchstone by which we can measure our success. I hope you will find in this report ample evidence of that success.



Hon David Bernstein

Chair of Trustees

Message from the Chief Executive Officer



The Forward Trust continues to pursue its aims through a series of 3-year strategies and business plans, with annual work plans designed to work towards our 3-year strategic objectives.

Every 3 years, we have reviewed our vision and mission; articulated our medium term aims and objectives, and the principles and beliefs underpinning our work, and set out a practical programme of action to maximise the public benefit we generate.

Our annual work plans are agreed between departmental staff and managers at the start of the year, and progress is reported to Trustees and Senior Management through Quarterly Strategic Review meetings.

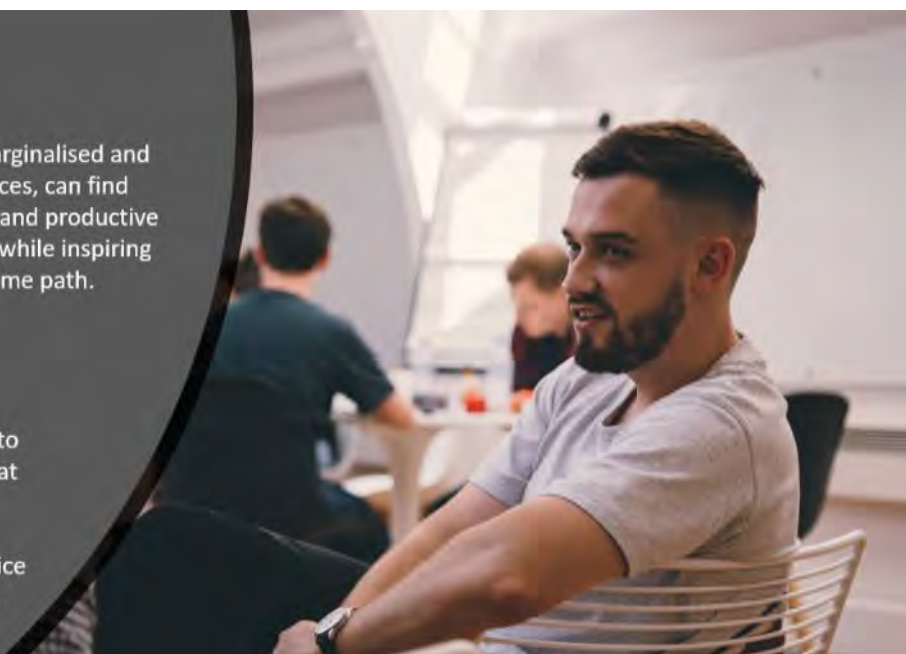
Our strategic planning process for 2020 was completed shortly before the Coronavirus lockdown. This review confirmed that our broad direction of travel remains unchanged, but our Vision and Mission have been slightly amended to reflect the ongoing diversification of our services and client groups:

Vision

Our vision is that anyone, however marginalised and whatever their history and circumstances, can find the help they need to build a fulfilling and productive life with family, work and community, while inspiring and supporting others to follow the same path.

Mission

Our mission is to bring lasting change to people's lives by delivering services that inspire the belief in a better life, and provide clear steps to achieve this change – bringing benefits to our service users, their families and communities.



We have shown over decades that this combination of inspiration, allied with clear and consistent support, can help people change lives previously dominated by crime and addiction.

Our approach to service provision has been honed from extensive experience of helping offenders struggling with drug/alcohol dependence to find long term recovery through our RAPt 12 step programmes and finding routes back in to work through Blue Sky Services. But we are increasingly applying these same principles to more diverse groups – the long term unemployed, the homeless, or those with mental health problems.

Recovery and rehabilitation are a human and deeply personal process:

- People need to be given the belief and motivation to have the confidence to attempt a fundamental and lasting change;
- They need to be exposed to role models and peer influence that they can identify with;
- The staff and volunteers they come into contact with need to demonstrate compassion and belief in their clients' worth and potential; and
- The service needs to provide a clear and practical series of steps towards a new way of living.

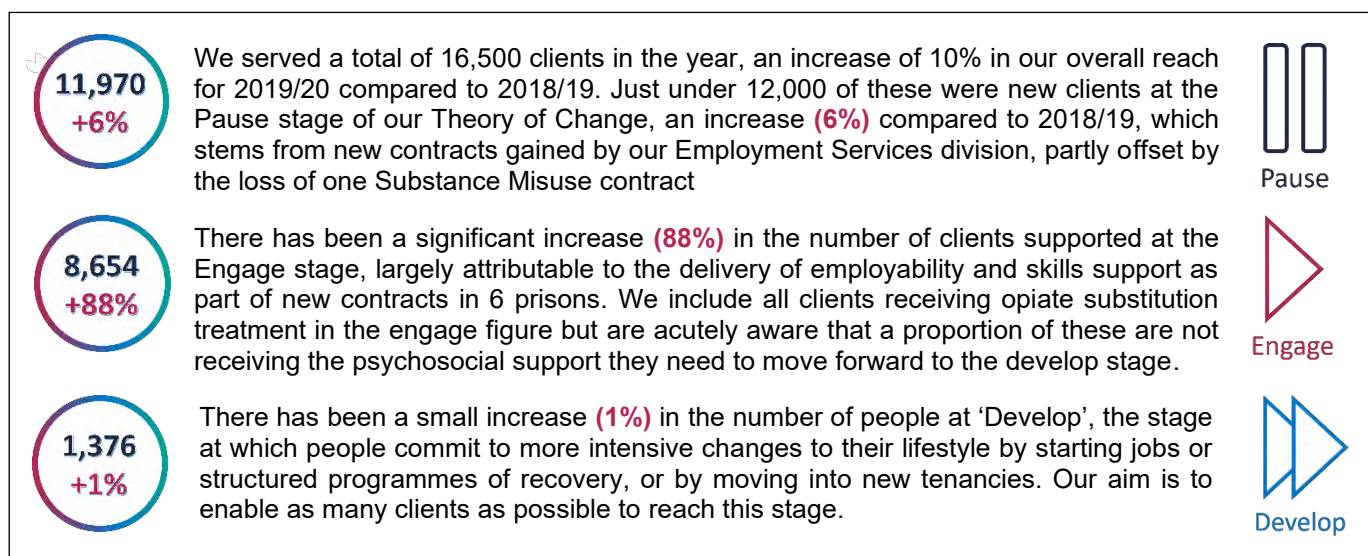
We try to embody these principles in everything we do, and in every service we provide.

Forward in Numbers – Understanding our Impact

As outlined above, our mission is to bring lasting change to people's lives. Our 'Theory of Change' sets out a series of service pathways that clients can follow to make changes and ultimately turn their lives around. We offer a range of interventions available at each stage to enable progression, covering drug and alcohol recovery, health and wellbeing, connections (with family and friends), employment and housing.

In 2018/19 we started to collect data on the number of our service users who were accessing support at different stages of our Theory of Change, from 'Pause' through 'Engage' to 'Develop', data that can be visualised as a 'funnel' that flows into our ever-growing fellowship of people who are 'Prospering' in life (becoming part of our 'Forward Connect' and 'More Than My Past' communities – see below).

The diagram below shows the performance of our funnel for 2019/20 with numbers in brackets showing the percentage increase from 2018/19.





Those progressing through 'Develop' Interventions join thousands of others who are prospering in life, giving, and receiving mutual support to maintain healthy lifestyles.

While our public sector contracts pay for Pause and Engage activities, they rarely pay for those personal development activities that lead to lasting and transformational change, for which we need ongoing charitable funding.

Our strategic challenge is to find ways to increase the number and proportion of our clients in every project who are motivated and enabled to move into these 'develop' programmes and pathways, and to join our communities of people in recovery.

Key 'Develop' Achievements in 2019/20



361 clients undertaking structured abstinence-based programmes – proven re-offending rates of 18-38% compared with re-offending rates of 58-71% for prisoners who leave with their drug problem unresolved.

Forward Impact Report 2019



248 clients starting employment, apprenticeships, or their own businesses – studies show our employment programmes reduce reoffending by up to 23%.

Forward Impact Report 2018



297 clients and family members completing intensive programmes to rebuild family relationships affected by addiction.



49 clients supported into Forward's own housing options (e.g. Recovery Houses and our Vision Housing private rented sector scheme shown to reduce re-offending by 11%) and a further **133** clients referred to partner providers of supported housing.

Forward Impact Report 2018

Forward Thinking – Innovation and Imagination



We achieve the results we do because we believe and invest in people's capacity to change.

We also create structures and initiatives which celebrate people's achievements, help them to act as role models, and demonstrate 'visible recovery' to those following behind them. Here are three examples of how we put this mission into practice.

More Than My Past – Celebrating Success...

This is our online campaign promoting recovery through the uplifting stories of people who have overcome difficult periods in their lives. Offenders and those suffering from addiction are often desperate to turn their lives around but are battling with the legacy of childhood trauma and neglect, as well as the stigma and dysfunction that follows them into their adulthood. Highlighting the experience of those who have found a way to address these issues can offer identification, inspiration, and motivation.

Research has found that:

Negative experiences during childhood increases the risk of becoming an alcoholic by **700%**.

75% of people in recovery and ex-offenders felt that they would be turned down for jobs for disclosing their past.



A quarter of people in recovery had been turned down at least three times after disclosing their past.

More Than My Past is a national campaign that looks to challenge the stigma. We are showing that ex-offenders and people in recovery not only want to change and succeed – they can and do!

The aim is to change attitudes across the board – from policy makers to employers and the general public.

The More Than My Past website showcases the inspirational stories of people who have successfully confronted their problems with addiction and/or criminality and moved on to

prosper in their personal and professional lives. An accompanying Podcast features a series of interviews conducted by the film and TV actor Jason Flemyng, an old friend of the Forward Trust, in which he explores recovery and rehabilitation with a wide range of guests. For more information, visit: www.morethanmypast.org

Forward Opportunity Escalator – Putting our Money where our Mission is...

At Forward we pride ourselves on living our mission through offering routes for people with 'lived experience' of drug/alcohol dependence and/or imprisonment to work with us as volunteers, mentors, trainees, and salaried employees.

For example, we have for years now operated a hugely successful Apprenticeship programme, offering opportunities for employment on short term contracts for individuals who have worked with us as clients either in prisons or in the community.

During the reporting year, of the 11 Apprentices completing our programme, 10 (90%) gained employment after completion of their apprenticeship, 8 of whom gained employment with Forward.

We are now leveraging this experience to 'super charge' this programme to provide new opportunities across our business, and to provide a genuine, supported route into full time employment.

We are aiming to offer a range of traineeship opportunities in several new areas including placements in our Finance Team, Business Development Team and Employment Services Division.

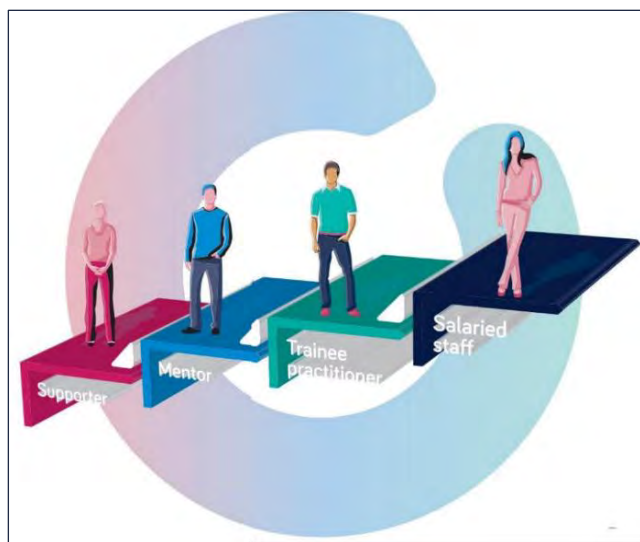
Traineeships are being expanded to include both those with lived experience in broader terms i.e. ex-offenders, those in recovery from addiction, the ex-homeless, as well as to the general public. This will provide wider opportunities for individuals for whom gaining a qualification and furthering their work experience is critical to accessing full time work.

We are refining our support package for these placements and are leveraging the experience of our Employment Services Division to link them to appropriate and expertly delivered skills programmes.

We are extremely excited by the potential of this multi-faceted programme and refer to it as the Forward Trust Opportunity Escalator.



The Escalator has four stages:



Peer Supporters... are on the first step of the escalator. Peer supporters help by promoting our services and by co-facilitating workshops, drop-ins, activities, and graduations.

Some of our peer support roles focus on promoting and role modelling recovery, while others - our Health and Wellbeing Champions (HAWCs) - focus on health and wellbeing.

Mentors... are more progressed in their recovery and play a more formal role as volunteers. They are provided with accredited training (Level 2 NCFE Peer Mentoring) while supporting clients to prepare for recovery and co-delivering programmes and other interventions.

Trainee practitioners... are offered salaried placements for up to 12 months within Forward.

This includes our award winning 'Apprenticeship Scheme',

which has employed over 120 people in recovery, with 90% progressing to full-time employment in the sector following the 12-month placement. The scheme won an HR Magazine, HR Excellence Award in 2017 for CSR Strategy

Full-time salaried staff... with lived experience make up a high proportion of our workforce. In 2019/20, an average of over **32.5%** identified as having had lived experience of either addiction or offending. For more information on Forward Trust Traineeships visit: www.forwardtrust.org.uk

Forward Connect – A Strong and Diverse Recovery Community...



One of the differentiators of the Forward Trust has been our ability, wherever we operate, to develop friendly communities of current and former clients, graduates, and volunteers.

When you are on the way to making big changes in your life, you should not have to do it alone.

Our Forward Connect community gives our clients going through this profound change the opportunity to meet, socialise and stay in touch with others like themselves who understand what they are going through.

And because it is peer-led, connect members can take as active a role in leading and shaping the community as they want.

Forward Connect is open to anyone making progress in their own recovery and rehabilitation with our help. It is as simple as that.

Forward Connect offers peer support through regular peer-led meetings, social events, and graduate celebrations, as well as invitations to Forward's annual graduate reunions in London and Hull.



“ Speaking at the reunion was nerve racking to begin with and then after a bit I realised there was nothing to worry about and that I was amongst friends and love. ”

Jamie-

It also allows access to information from Forward, including our graduate magazine, “The Journey”, as well as updates on new services and signposting to other local services to support community members' recovery.

Further information on Forward Connect can be found at: <https://www.forwardtrust.org.uk/find-support/forward-connect/>

The Bridges – One of its kind...



Run by Forward, The Bridges is a residential rehabilitation centre situated in the heart in Hull. Established in 2004, it is the only centre of its kind in the UK and is dedicated to supporting ex-offenders from across the UK with substance misuse issues to recover from their addiction and move forward with their lives. The programme at The Bridges

includes access to '12-step' fellowship meetings in the community, healthcare services and 24-hour access to a counsellor. This can last from a few weeks to six months depending on the level of support required by each client. One of the differentiators of the Forward Trust has been our ability, wherever we operate, to develop friendly communities of current and former clients, graduates, and volunteers.

Reach: Since 2004, over 450 men have been supported at The Bridges to rebuild their lives, with a job, a home, loving relationships, and a sense of local belonging.

Completion: Over the last 5 years, completion rates have varied between 50-60% for the full intensive recovery programme at The Bridges, compared with a national average completion rate of 48% in other residential treatment programmes (this is particularly impressive given the fact that the majority of The Bridges clients are ex-offenders with high levels of support need).

Reoffending: Of those who leave The Bridges in a stable condition, only 24% re-offend, around three times less than the national average for those who leave prison with unresolved addiction problems

“ Every time I've got out of prison before, on every occasion, I've been back using drugs within one or two days. But not when I went to The Bridges. I truly believe they've saved my life. ”
Anthony, The Bridges resident



Forward Looking – Outlook for 2020 and Beyond



During the period of our last three-year strategic plan, we have operated at a level of around £20-22 million turnover, with over 400 employees and 100 volunteers. Having experienced two difficult years of trading losses, we have reduced costs in some areas and tightened our budget control, and now have a stable financial, governance and service delivery position.

Subject to any structural changes resulting from the Coronavirus crisis, we expect to be entering a period of growth, as new commissioning opportunities emerge:

- Opportunities to expand our prison and community substance misuse services;
- Opportunities to expand our employment advice, skills development and job finding services in prisons and community and a new £100 million market for interventions with probation clients to reduce re-offending;
- Opportunities to develop and implement new models of intervention for offenders with gambling problems; and
- New models of accommodation for offenders.

We will conduct a wide-ranging programme of business development over the next 3-year period, with the aim of increasing turnover to between £30-35 million by 2023.

Our expansion plans will be informed by our programme of continuous improvement to our service provision – refining and developing new models of intervention, responding to user feedback, and adding to our sector-leading portfolio of evaluation and outcome research.

We will continue to support our mission and contracted service delivery by maximising the promotion of 'visible recovery' – role models who demonstrate the possibility and value of recovery and rehabilitation – through continuous expansion of our Forward Connect recovery community, and extending the reach of the 'More Than My Past' online campaign.

Finally, we will continue to refine our support systems - honing mechanisms for effective customer support to our service delivery projects, increasing our use of digital technology, and further developing the 'business partner' model for central services.

A handwritten signature in black ink, appearing to read 'M. Trace', is shown within a rectangular box.

Mike Trace

Chief Executive Officer

FINANCE REPORT



Message from the Treasurer

This Trustees' Annual Report and Accounts has been produced in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the FRS102 Charity SORP (Statement of Recommended Practice effective 1st January 2019).

The accounts for 2019/20 record a significant turnaround that has been delivered as part of the Charity's strategy review and exceptional efforts by all personnel throughout the year. Despite a slight reduction in turnover (see Financial Highlights below) we are able to report a surplus of income over expenditure of some £801k (2019: -260k).

This outcome has resulted from matching the Charity's resources against its service obligations at all times throughout the year. This surplus has strengthened the Charity's balance sheet and it is thus in an even stronger position when bidding for new contracts. It has also afforded the opportunity of making further investment in IT and related communications' systems. This has stood it in good stead in continuing to provide its services in a safe and secure manner despite the coronavirus pandemic with its attendant impacts.

As ever, the Charity is dependent on its fundraising activities and we pay tribute to all involved for their generosity and dedication in supporting the Charity.

On a personal note, I wish to thank my predecessor as Treasurer – Ben Houghton – without whose expertise and wisdom the Charity would not find itself in the strong position reported here.

Financial Highlights –Forward in Numbers

The Charity's total income reduced from 2018-19 to £21.29 million (2019: £22.03 million). This is largely due to a fall in contract income, with one of our large contracts ending mid-year.

This income derives principally from contracts with local authorities, NHS Trusts or similar institutions, commercial contracts, fundraising activities including trust and grant income.



Income from charitable activities, which represented 93.8% of total income, decreased slightly by 1.2% on the previous financial year.

Principal funding resources are explained in the notes to the financial statements.

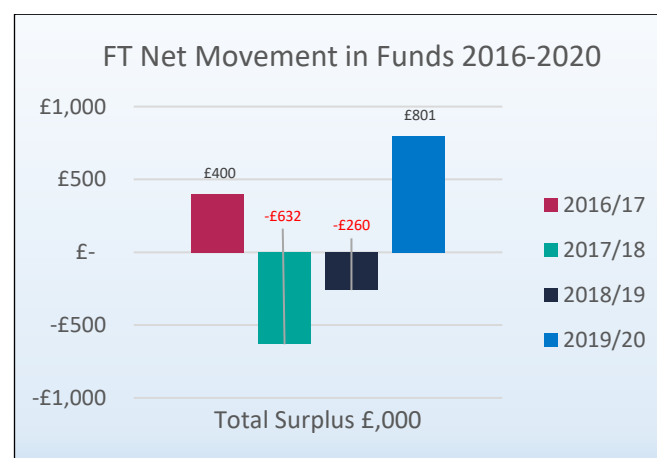
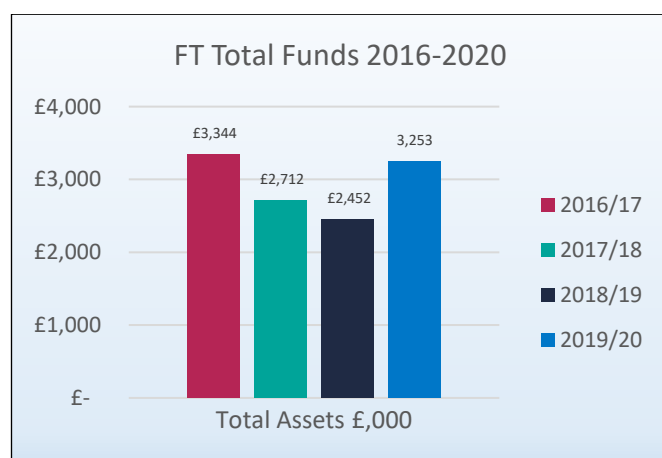
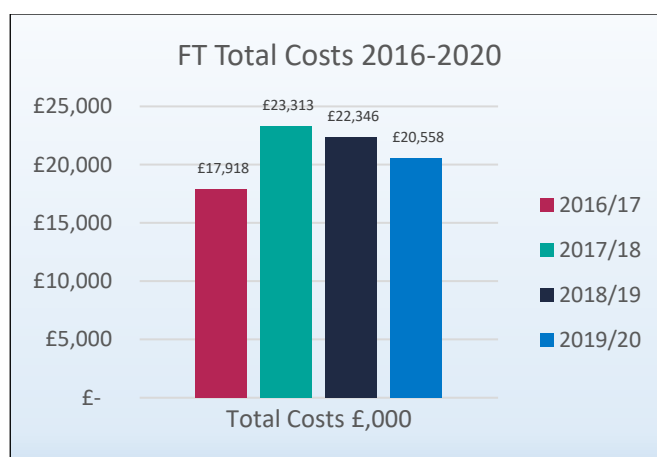
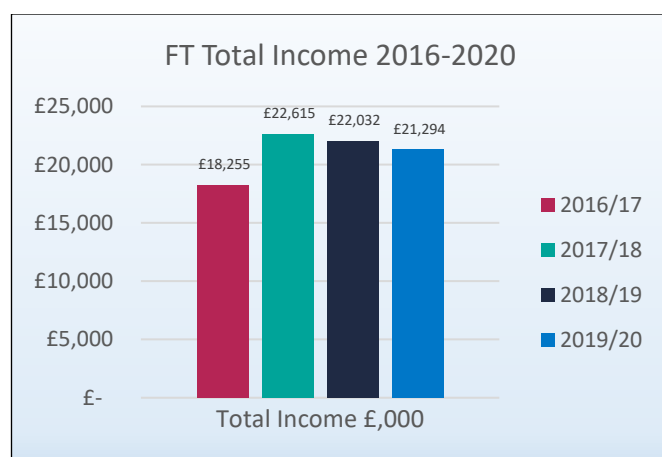
These funds are directly applied to the delivery of addiction treatment services, accommodation services and employability services.

Most of the funds raised from charitable foundations are restricted income for a specific activity that supports our core contracts.

The Statement of Financial Activities (SOFA) shows the analysis of charitable activities split between Substance Misuse/Health & Well-Being Services, Family Services, Recovery Support Services, Residential Rehabilitation Services, Clinical Services, Employment Services, Apprenticeships and Vocational Training Services and activity related to the Forward Enterprise Fund.

The total spending on charitable activities has fallen from £22.35m to £20.56m

Financial Highlights – Key Comparisons



The above comparisons offer a clear representation of how the organisation has turned around an extremely financially challenging few years, with a return to a strong and healthy cash and reserves position.

For the 2020-21 financial year, we are budgeting a further surplus.

Reserves Policy

The General Reserves Policy continues to protect our programme work from the risk of disruption at short notice due to a lack of funds, while at the same time ensuring that we do not retain income for longer than required. The Policy also provides parameters for future strategic plans and contributes towards decision-making. It determines an appropriate target level for general reserves, considering the following factors:

- Vulnerability to unplanned changes in financial position including potential costs arising from the termination of services and delays in payment of invoices;
- The need for the Charity to invest in implementation and other start-up costs of new services;
- The Charity's requirement to manage fluctuations in cash flow;
- Financial risks related to the above, considering the likely speed of onset as well as the mitigation steps available to management;
- The fact that expenditure is generally predictable and long term, with the exception of 'variable' spend on restricted programmes, where risks typically involve unplanned events such as a change in government policies.

On 31st March 2020, the Charity's General Reserves (excluding designated funds) are £2.70m (2019: £1.68m) and represent unrestricted funds, excluding funds that have been designated and those funds tied up in fixed assets. The basis of determining the target reserves' level is kept under periodic review and will be adjusted as perceptions of risk and other factors change. Our total funds as at 31st March 2020 are £3.25 million (2019: £2.45 million).

There is a degree of judgement involved in identifying risks faced by the Charity and in establishing the appropriate level of reserves that the Charity should maintain to mitigate these risks.

The Trustees are of the opinion that the level of reserves is acceptable based on the level of activity, therefore the appropriate target range for free reserves is between £2.1 million and £4.3 million. This will also provide a buffer should Forward Trust encounter adverse conditions in its market and on this basis, the Trustees also consider that the Forward Trust has adequate resources to continue the business for the foreseeable future.

Designated Funds (unrestricted)

Designated funds are those unrestricted funds that have been set aside by the Trustees for particular purposes.

The designated funds held at 31st March 2020 were £0.47 million (2019: £0.47 million), which are allocated to cover our estimated maximum liability for redundancy payments, potential pension liabilities and dilapidation costs on The Bridges project and other property. Further details of the designated funds and their movements during the year are shown in Note 14 of the accounts.

Restricted Funds

These funds are used for specified purposes, as laid down by the donor. As at 31st March 2020, unspent restricted funds were £0.08 million (2019: £0.31 million).

Going Concern

The Trustees consider that there are sufficient reserves held at the year-end to manage any foreseeable downturn in the UK economy (including any negative impact resulting from the Covid-19 Worldwide Pandemic) and that the Charity has adequate resources to continue in operational existence for the foreseeable future.

For this reason, the Trustees continue to adopt the 'going concern' basis in preparing the accounts.

Key Management Personnel Remuneration

The Trustees consider the Board of Trustees and the Executive Management Team (which includes the Chief Executive Officer) as comprising the key management personnel of the Charity in charge of directing, running, and controlling the Charity, and operating the Charity on a day-to-day basis.

All Trustees give their time freely and no Trustee remuneration was paid during the year. Details of any Trustee expenses and related party transactions are disclosed in Notes 8 and 18 to the accounts.

In deciding appropriate pay levels, The Forward Trust aims to strike a balance between paying enough to recruit and keep people with the skills we need, meeting our contracting partners' needs, and the public and our supporters' expectations that the money they entrust us with will be used wisely.

In setting Executive Management Team (ET) pay, the Trustees take account of the skills and experience required for each of the roles and the remuneration in the sectors from which suitable candidates for such posts would be found. They also take account of affordability for The Forward Trust.

We do not pay bonuses or other incentive payments. Pay increases to the Executive Team and other employees are reviewed annually subject to good performance and the Charity's financial position.

The remuneration is also benchmarked against other competitors within the sector of a similar size to ensure that the remuneration is set fairly, and not out of line with that of generally similar roles.

Financial Risk Management

Services are subject to contracts; prices of goods are based on market prices; and salary costs are subject to a formal annual review. Our standard payment terms are 30 days. Credit risk on amounts owed by debtors is low. In terms of liquidity risk, The Forward Trust has no borrowings, and our policies on the management of investments and reserves are set out above.

PRINCIPAL RISKS AND UNCERTAINTIES & RISK MANAGEMENT

In delivering our objectives, we face significant risks every day (whether that be to the safety of our staff, to our clients, to our financial health, a duty of care to those that attend our fundraising events etc.).

We have robust procedures to evaluate, design and implement effective measures to reduce both the likelihood and the potential impact of these risks occurring.

Risk Policy

The Forward Trust carries out annual risk identification, assessment, and management analysis. A register of risks has been compiled, with risks scored for likelihood and impact severity.



Risk management strategies and time scales are also established and reviewed at least annually. Individual senior managers or committees are nominated to take responsibility for each key risk, which is reviewed on a quarterly basis.

The Trustees reviewed how risk is managed within the Charity and the level of reserves that should be held in relation to the principal risks that we face.

The Trustees have also examined other operational and business risks through an organisational risk management process; have identified those risks, which the Charity faces; and confirm that they have established systems to mitigate the significant risks.

Key Risks

For each risk identified, specific actions and performance indicators relating to them are monitored quarterly by the relevant committee. Risks are managed either through Directorate Workplans or by operating a Central Risk Register for those not mitigated by this process. The following major risks were identified at an organisational level for the Group in 2019/20:

- Failure in Financial Process and Accounting practice leading to inaccurate forecasting, budgeting, and reporting;
- Failure to recruit, select and retain sufficient properly qualified staff at all levels and in particular, in key roles;
- Non-compliance with statutory or commissioner-led requirements leading to significant reputational damage or contract loss;
- Significant and prolonged failure of the main Forward Trust networks through either infrastructure failure or cyber-attack;
- Failure to raise sufficient charitable income to cover costs not covered by contract or other income;
- Losing existing contracts and their financial contribution to overheads;
- Failure to win new contracts and grow the business;
- Threat to the Charity's reputation through negative PR or poor-quality communications;
- High service delivery costs exceed or operate too close to contract value and/or income;

- Service delivery does not meet the mission of The Forward Trust (including the Theory of Change) or support other Forward Trust services (e.g. Recovery Support, Employment or Housing);
- The impact on current and future business of a poor or weakened reputation caused by inadequate delivery, performance, contract compliance or deficient management of stakeholder relationships;
- Failure to deliver revenue and contribution (margin) commitments as set out in the agreed budget through an inability to secure sufficient contracts/funding, to fill agency work vacancies and through poor operational delivery of contracts (including Blue Sky Services);
- Risk of an ex-offender client committing significant further offences whilst under Employment Services (ES) supervision or employment;
- Risk of significant injury or death to an Employment Services' employee through procedural/systemic failure.

Other key components of The Forward Trust's risk management include:

- Governance & Quality Assurance Framework
- Clinical Governance Framework
- Clear policies regarding safeguarding children and vulnerable adults
- Regular consideration by the Trustees of financial results and variance from budgets and delegation of authority and segregation of duties
- A strategic plan and annual budget approved by the Trustees and performance is reported regularly including financial reporting of monthly results

The Trustees seek to monitor and manage the above risks through a strategic risk register, which outlines each risk's likelihood, impact, severity, risk owner and the committee responsible for the risk. These risks are also reviewed on a regular basis and are standing agenda items during monthly supervisions of risk owners and quarterly committee meetings. Internal risks are minimised through a clear authorisation process for all transactions and projects to ensure consistent quality of delivery for all operational aspects of the Charity. These procedures are reviewed annually to ensure that they continue to meet the needs of the Charity.

The Trustees receive regular reports on compliance with regulatory and statutory frameworks including those in respect of the health and safety of staff and clients.

Coronavirus

At the end of this reporting year, the Forward Trust, like all other organisations was impacted by the arrival of Coronavirus (Covid-19).

The initial impact of this on our operations was largely mitigated by a comprehensive management response, moving quickly into adapted work patterns and remote arrangements. We have now settled into new ways of service delivery in response to the requirements of our main clients.

In financial terms, we have benefited from the fact that the vast majority of our contract income (which makes up almost 94% of our income) has been protected. This is because our main contract clients are HM Government Agencies such as the NHS and HMPPS, or local authorities.

We do not anticipate therefore, a significant income risk from the continuation of Covid19 restrictions other than that to our charitable income, which represents a small but important percentage of our total.

We do, however have a concern that currently we are not able to deliver all the services that we are contracted to, and would wish to, and that therefore our clients, particularly those in prisons, are not receiving the full provision that we are normally able to provide and know they require.

Auditor

A resolution proposing the reappointment of Haysmacintyre LLP as the group auditor will be submitted at the Annual General Meeting.

A handwritten signature in dark ink, appearing to read 'Tony Hazell', with a horizontal line drawn underneath the name.

Tony Hazell

Treasurer

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Forward Trust is a charity registered in England and Wales (Charity Number: 1001701) and a UK company limited by guarantee (Company Registration Number: 02560474). The governing document is the Articles of Association that determine its legal framework. The Charity does not have any share capital.

Board of Trustees (Directors)

As of 31st March 2020, the following members of the Board of Trustees were registered as Directors of the Charity:

Chair	Hon David Bernstein
Treasurer	Ben Houghton
	Lady Louise Gibbings
	Hon Isabelle Laurent
	John Mason
	Dame Benita Refson OBE
	Anthony Hazell
	Dame Clare Gerada MB BS
	Rev. John Wates JP OBE
	Andrew Wylie
	David Riddle

The Directors of the Charity, who are the Charity's Trustees, form the Board of Trustees which is its ultimate governing body. The Board of Trustees is responsible for ensuring that all activities are within UK law and fall within the agreed charitable objectives. Its work includes governance, setting the strategic direction, ensuring the Charity upholds its values and delivers its objectives, and agreeing the financial plan.

The Board of Trustees reviews a schedule of matters reserved to them and delegates certain responsibilities to the Trustee sub-committees and the Chief Executive Officer. The day-to-day running of the Charity has been delegated to the Executive Management Team (Chief Executive Officer, Chief Operating Officer, Divisional Director of Substance Misuse, Divisional Director of Employment Services and Divisional Director of Business Development).

The Board of Trustees meets quarterly to consider strategic business issues. Each year we approve the annual budget and review the strategic plan of the Charity.

The Trustees and Chair are appointed for an initial period of three years that can be extended for further three-year terms. Any further extension may be made if it is deemed to be in the best interests of the Charity.

The Trustees are recruited to provide the skills and experience required to govern the Charity. We seek to appoint Trustees from among our Trustees' network and through external advertisement. Recommendations for appointments are made to the Board by the Chair, which is then ratified by the Board.

New Trustees are provided with information on legal obligations under Charity and Company Law, the Charity Commission's guidance on public benefit; and the content of the Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the Charity. New Trustees also spend a day meeting key employees and other trustees. Trustees are required to complete mandatory training modules and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

The Chair is an ex officio member of all Committees. Any Trustee may attend any Trustee sub-committee meeting. The sub-committees each have specific responsibilities on behalf of the Charity as outlined below. They provide counsel, expertise, and support to the Senior Management Team. Individual Trustees also take reasonable steps to ensure there is regular and direct contact between Trustees, staff, volunteers, and people who use our services at a local level. There are annual scheduled visits to Programmes by Trustees with an ET member.

Finance and General Purposes Sub-committee

During the reporting year the committee was comprised of the following members: Seven Trustees (Tony Hazell, Ben Houghton, Hon David Bernstein, Hon Isabelle Laurent, David Riddle, Andrew Wylie, and Rev John Wates JP OBE), together with the Chief Executive, Chief Operating Officer and Director of Finance & Commercial.

The Committee is responsible for the oversight of all aspects of the Charity's financial policies and operations. It monitors the short and long-term financial viability of the Charity, ensuring there are sufficient resources to fund its commitments. The committee reviews and approves for recommendation the Investment and Reserves Policy and monitors the effectiveness of the Charity's risk management and internal control systems. It reviews the annual financial plans of the Charity and monitors performance against plans and recommends action where necessary. The committee also reviews all issues concerning human resources (including sickness, staff turnover, and equality, diversity and inclusion), ICT, administration and health & safety issues. It met four times during the reporting year.

Governance & Quality Assurance Sub-committee

The committee has responsibility for the implementation and monitoring of effective governance throughout the organisation, including clinical governance. During the reporting year the committee was comprised of the following members: Five Trustees (David Riddle, Hon David Bernstein, Lady Louise Gibbings, Dame Clare Gerada MB BS, and Dame Benita Refson OBE), the Chief Executive, Chief Operating Officer, Divisional Directors of Services, the Clinical Director and the Head of Governance and Quality Assurance.

A separate Clinical Governance Quality Assurance Forum is responsible for ensuring the collection and analysis of data and other information sufficient to ensure effective clinical governance, ensuring the input of clinical leadership and advice, promoting quality of care, including the safety and wellbeing of service-users, families and carers. This forum reports into the Governance and Quality Assurance Sub-committee.

The committee is responsible for managing a culture of and processes for continuous improvement and innovation; ensuring that delivery keeps up to date with research and best practice; facilitating an examination and review of significant events and incidents; ensuring audits of services are undertaken and acted upon; and ensuring compliance with legislation and contractual obligations.

Research, Fundraising and Communications Sub-committee

The committee members include four Trustees (Hon David Bernstein, Hon Isabelle Laurent and Lady Louise Gibbings, Dame Benita Refson OBE) and the Chief Executive together with the Divisional Director of Business Development. All the meetings are chaired by a Trustee. The committee is responsible for providing an effective

governance framework for the management of all aspects of the Research, Fundraising and Communications functions of the Charity's Business Development Division.

Public Benefit Statement

In preparing the report, the Board of Trustees have considered the requirements of the Charities Act 2011 and have satisfied themselves that they have complied with their duty to have due regard to the 'Public Benefit' guidance published by the Charity Commission.

We have referred to the Charity Commission's guidance on public benefit in reviewing our activities and objectives, and in planning future activities. We have reviewed our reporting to ensure our activities clearly indicate public benefit through achievement of our aims.

Our main activities and achievements within these are described in "Objectives and Principal Activities". Broadly, our activities help advance health and save lives amongst our direct beneficiaries by the provision of treatment and support to rehabilitate substance misusers; we advance citizenship through reintegration support; and we deliver benefits to the wider public through the prevention of crime and destructive behaviour. In addition to the many thousands of prisoners who have received services from the Charity, our programmes have also had a positive benefit for the families of the individuals we directly help, as well as for the wider community through reducing reoffending among some of the most prolific offenders, and improving life chances through the delivery of education and vocational training to disadvantaged groups.

Supporting Our Employees and Volunteers

As at 31st March 2020 we employed a total of 423 staff, an increase of 3.67% on the 408 people we employed at 31st March 2019.

Achieving the desired transformational changes in our clients will depend on the expertise and motivation of those who work with us and we have continued throughout the last year with efforts to support our workforce to adapt to the changes in the way that we work.

We have a strong commitment to develop the diversity of our staff and volunteers through equal opportunity policies, training, and practical action. As at 31st March 2020 the representation of women in our total workforce was **66.9%**.

The percentage of staff from an ethnic minority rose slightly to **33.6%** of the total workforce for whom their ethnic origin is known.

We remain particularly indebted to the commitment of the **29,047** hours volunteered to us during the year. Our volunteers work tirelessly in various projects. These incredible people are at the heart of everything that we do.

We calculate the value of these hours to be in excess of **£227,441** (based on the minimum national wage), and our services and events simply would not be possible without them. The roles vary from project to project, and event to event: it might be a few hours or entire days. Whatever their role, our volunteers generously provide significant amounts of their time to The Forward Trust, and we are enormously grateful.

We are committed to strengthening skills training for all our volunteers, ensuring that they are able to gain new experiences and feel they have a greater connection to our work.



Lived Experience

The Charity is strengthened by the number of people with Lived Experience, both those in recovery from addiction, and ex-offenders who are involved in the day-to-day operation at all levels. This involvement ranges from Board members to 'peer supporters' and serving prisoners who volunteer to support our programme delivery. In the year 2019/20, an average of over **32.5%** of our paid staff (who identified as such) had their own lived experience of being in recovery from drug or alcohol addiction.

"All I wanted to focus on was how often could I get to a pub, how late could I stay out drinking. It was my way of escaping reality. Without the support of Forward and my loved ones I wouldn't be here. I now see a future for myself, which I never used to."

Mike, former Forward client



Staff Representative Group

The Staff Representative Group is an important element in our quest to be fully inclusive, championing employee involvement and two-way communication between management and employees.

We wish to ensure that all employees are well informed about matters that directly relate to their employment terms and conditions, and also have the opportunity to communicate their views to the Executive Management Team.

The Staff Representative Group membership represents all employees of The Forward Trust. It provides a forum to share information and consult on proposed changes to employees' contractual terms and conditions and the policies that sit alongside them. It is not intended to replace or undermine other methods and channels of communication, but rather to enhance them. Its purpose is to:

- Promote an exchange of views between managers and employees;
- Test new ideas and approaches with employees;

- Provide an opportunity for the views of employees to be considered in making decisions that are likely to affect them directly;

Staff representatives attend meetings on behalf of all employees within the group they represent. They have a responsibility to canvas the views and concerns of their constituents prior to meetings and provide feedback following the meetings.

A handwritten signature in dark ink, appearing to read 'David Bernstein', with a long horizontal stroke extending to the right.

Hon David Bernstein

Chair of Trustees

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company and charity law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and of the net movement in funds and application of resources, including the income and expenditure of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Charity will continue in operation.

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

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

In so far as we are aware:

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

The auditor, Haysmacintyre LLP is willing to be re-appointed in accordance with section 485 of the Companies Act 2006.

The Trustees' Report, incorporating the Strategic Report, was approved, and authorised by the Board of Trustees on 11th November 2020 and signed on their behalf by:



Hon David Bernstein
Chair of Trustees

GOING CONCERN DECLARATION

The Trustees have reviewed the circumstances of The Forward Trust and of the group and consider that adequate resources are available to fund the activities of the group for the foreseeable future. Twelve-month rolling cashflow projections are included in management's regular financial reports to Trustees, and income and expenditure is monitored against budget. The Trustees are of the opinion that the charity and the group are a going concern and the accounts have been prepared on this basis.

A handwritten signature in dark ink, appearing to read 'David Bernstein', with a long horizontal flourish extending to the right.

Hon David Bernstein
Chair of Trustees

AUDITOR'S REPORT

Independent Auditor's Report to The Members of The Forward Trust

Opinion

We have audited the financial statements of The Forward Trust for the year ended 31 March 2020 which comprise The Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 March 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 25, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' 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 charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Use of our report

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



Murtaza Jessa (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP,

Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

STATEMENT OF FINANCIAL ACTIVITIES

Including the income and expenditure accounts for the year ended 31st March 2020.

	Notes	Restricted Funds £'000	Unrestricted Funds £'000	2020 Total funds £'000	2019 Total Funds £'000
INCOME					
Donations and Legacies	2	914	396	1,310	1,630
Charitable Activities	3				
Substance Misuse		-	14,830	14,830	16,249
Family Services		-	55	55	182
Young People Services (FEF)		-	110	110	54
Recovery Support Services		-	826	826	439
Residential Rehabilitation Services		-	578	578	124
Clinical Services		-	1,994	1,994	1,947
Employability Services		-	1,520	1,520	1,370
Investment Income		-	9	9	7
Income from Other Trading Activities		-	63	63	30
Total Income		<u>914</u>	<u>20,381</u>	<u>21,295</u>	<u>22,032</u>
EXPENDITURE					
Costs of Raising Funds	4				
Raising Funds		-	17	17	52
Expenditure on Charitable Activities	4				
Substance Misuse		17	15,279	15,296	17,788
Family Services		17	39	56	200
Young People Services (FEF)		143	(30)	113	59
Recovery Support Services		684	169	853	481
Residential Rehabilitation Services		122	475	597	136
Clinical Services		-	2,057	2,057	2,131
Employability Services		<u>157</u>	<u>1,412</u>	<u>1,569</u>	<u>1,499</u>
Total Expenditure		<u>1,140</u>	<u>19,418</u>	<u>20,558</u>	<u>22,346</u>
Net Income (Expenditure)		<u>(226)</u>	<u>963</u>	<u>737</u>	<u>(314)</u>
Other Recognised Gains and Losses					
Actuarial gains on Def Ben Pension Scheme	19/20	-	64	64	54
Net Movement of Funds		(226)	1,027	801	(260)
Reconciliation of funds					
Total Funds Brought Forward		308	2,144	2,452	2,712
Total Funds Carried Forward		<u>82</u>	<u>3,171</u>	<u>3,253</u>	<u>2,452</u>

The notes on pages 33 to 52 form part of these financial statements. The statement of financial activities includes all gains and losses recognised in the year. All amounts derive from continuing activities.

BALANCE SHEET

Company Number 02560474

As at 31st March 2020

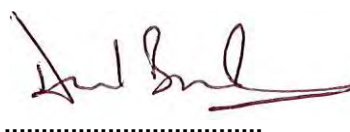
ASSETS			2020	2019
		Notes	£'000	£'000
FIXED ASSETS				
	Tangible Assets	9	3	5
CURRENT ASSETS				
	Debtors and Prepayments	10	3,979	2,571
	Cash at Bank and In Hand		1,725	2,235
			<u>5,704</u>	<u>4,806</u>
CREDITORS				
	Amounts Falling Due Within One Year	11	(2,454)	(2,359)
NET CURRENT ASSETS			<u>3,250</u>	<u>2,447</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,253</u>	<u>2,452</u>
FUNDS				
Unrestricted Funds				
	General Reserves	14/15	2,702	1,675
	Designated fund	14/15	469	469
			<u>3,171</u>	<u>2,144</u>
Restricted Funds		14/15	82	308
TOTAL			<u>3,253</u>	<u>2,452</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 11/11/2019 and signed on their behalf, by:



Tony Hazell

Treasurer



Hon David Bernstein

Chairman

The notes on pages 33 to 52 form part of these financial statements.

CASH FLOW STATEMENT

	2020		2019	
	£'000	£'000	£'000	£'000
Cash Flows from Operating Activities		(519)		(300)
Cash Flows from Investing Activities				
Dividends, Interest and Rents from Investments	9		7	
Purchase of Property, Plant, and Equipment	-		(3)	
Net Cash Provided By (Used In) Investing Activities		9		4
Increase (Decrease) in Cash and Cash Equivalents		(510)		(296)
Analysis of Cash and Cash Equivalents				
Cash and Cash Equivalent at the Beginning of the Period		2,235		2,531
Cash and Cash Equivalent at the End of the Period		1,725		2,235

	2020	2019
	£'000	£'000
Reconciliation of Net Movement in Funds to Cash Flow Operating Activities		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	737	(314)
Pension Service Cost Net of Finance cost	64	54
Depreciation Charges	2	2
Dividends, Interest, and Rents from Investments	(9)	(7)
Decrease (Increase) in Debtors	(1,408)	694
Decrease (Increase) in Creditors	95	(729)
Net Cash Provided By (Used) in Operating Activities	(519)	(300)

The notes on pages 33 to 52 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Status of the Charity.

The Forward Trust is a charity registered in England, a Limited Company by guarantee without share capital use of 'Limited' exemption limited by guarantee and not having share capital. It is a registered charity with its registered office at Unit 106-7, Edinburgh House, 170 Kennington Lane, London SE11 5DP, and is not liable to direct UK taxation on its charitable activities.

Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of Preparation

The financial statements of The Forward Trust 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 (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Forward Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

The Trustees have reviewed the circumstances of the Charity and consider that adequate resources continue to be available to fund their activities for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Income

All income is recognised once the charity has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably.

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

Recognition of income is deferred where conditions specify that such income relates to future accounting periods. Where donors specify that funds are for specific purposes such income is included in incoming resources of restricted funds.

Grant Income

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognized when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment Income

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

Donations & Legacies

Income from donations and legacies includes donations and gifts in wills which are recognised where there is entitlement, probability of receipt and the amount of the gift is measurable. Income from donations, covenants and gift aid includes receipts from fundraising events.

Donations together with the resulting tax credit from gift aid, is credited directly to the statement of financial activities on an accruals basis. Donations and all other receipts (including capital receipts) from fundraising are reported gross and the related fundraising costs are reported in raising funds.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings.

Cost of raising funds comprises the direct and indirect costs associated in the day-to-day running of a Fundraising Department.

Expenditure on charitable activities includes the costs of all activities undertaken to further the purposes of the charity relating to the strategic vision and their associated support costs.

Direct costs are allocated on an actual basis to the relevant expenditure headings.

Support costs are allocated between expenditure headings on the basis of time spent and the number of staff working on projects and activities. Governance costs are allocated in line with the support costs.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Employee Benefits

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS102.

Operating Leases

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the lease term.

The Forward Trust strives to ensure that its property leases are co-terminus with its contracts. Where a property lease is longer than the initial contract, we strive to ensure that break clauses are in place.

Pension Costs

The Charity operates five defined benefit pension schemes on behalf of its employees. The Pension Scheme has been accounted for in accordance with FRS 102.

A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments

Tangible Fixed Assets

Tangible fixed assets costing over £1,000 are capitalised and included at cost including any incidental expenses of acquisition. Depreciation has been provided on the straight-line method to write off the cost of tangible fixed assets on a straight-line basis over their considered useful economic lives as follows:

• Furniture, fixtures, and fittings	over 3 years
• Computer equipment	over 3 years
• Motor vehicles & equipment	over 3 years

A full year of depreciation is charged in the year of acquisition.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash equivalents are used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and Cash Equivalents

Cash and cash equivalents include cash and short term highly liquid investments

Creditors and Provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Share Capital

The Charity has no share capital but is limited by guarantee. The members of the Charity are the Trustees who are also ordinary members. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

Taxation

The Charity is registered and therefore is not subject to Corporation Tax on surpluses arising from charitable activities. The Charity is registered for VAT purposes. VAT is paid on inputs (purchases/costs) and is charged to the relevant expense category, unless expressly reclaimable under HMRC guidance.

Judgement in Applying Accounting Policies and Key Resources of Estimation Uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on Management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The Trustees consider the following items to be areas subject to estimation and judgement.

Depreciation:

The usual economic lives of tangible fixed assets are based on Management's judgement and experience. When Management identifies that actual useful lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively.

As tangible fixed assets are not significant, variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically no changes have been required.

Pensions:

The Charity has obligations to pay pension benefits to certain employees.

The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds.

Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

2. Income from Donations and Grants

	2020	2019
	£'000	£'000
Individual Donations	29	15
Other Income	1,224	1,531
Events Income	57	84
	<u>1,310</u>	<u>1,630</u>

3. Income from Charitable Activities

	2020	2019
	£'000	£'000
Substance Misuse	14,830	16,249
Family Services	55	182
Young People Services (FEF)	110	54
Recovery Support Services	826	439
Residential Rehabilitation	578	124
Clinical Services	1,994	1,947
Employability Services	1,520	1,370
	<u>19,913</u>	<u>20,365</u>

4. Analysis of Expenditure

	Direct Costs Staff £'000	Other Direct Costs £'000	Support Costs £'000	Total Costs 2020 £'000
Substance Misuse	8,921	4,281	2,094	15,296
Family Services	33	16	7	56
Young People Services (FEF)	66	32	15	113
Recovery Support Services	497	239	117	853
Residential Rehabilitation Services	348	167	82	597
Clinical Services	1,200	576	281	2,057
Employability Services	915	439	215	1,569
Cost of Raising Funds	10	7	-	17
	11,990	5,757	2,811	20,558

	Direct Costs Staff £'000	Other Direct Costs £'000	Support Costs £'000	Total Costs 2019 £'000
<i>Substance Misuse</i>	<i>10,241</i>	<i>5,455</i>	<i>2,029</i>	<i>17,788</i>
<i>Family Services</i>	<i>115</i>	<i>61</i>	<i>24</i>	<i>200</i>
<i>Young People Services (FEF)</i>	<i>34</i>	<i>18</i>	<i>7</i>	<i>59</i>
<i>Recovery Support Services</i>	<i>277</i>	<i>148</i>	<i>56</i>	<i>481</i>
<i>Residential Rehabilitation Services</i>	<i>78</i>	<i>42</i>	<i>16</i>	<i>136</i>
<i>Clinical Services</i>	<i>1,277</i>	<i>654</i>	<i>250</i>	<i>2,131</i>
<i>Employability Services</i>	<i>863</i>	<i>460</i>	<i>176</i>	<i>1,499</i>
<i>Cost of Raising Funds</i>	<i>39</i>	<i>13</i>	<i>-</i>	<i>52</i>
	12,874	6,851	2,621	22,346

5. Analysis of Support Costs

	Executive & Central Admin £'000	Resources £'000	Governance £'000	2020 Total £'000
Substance Misuse	805	1,117	172	2,094
Family Services	3	4	-	7
Young People Services (FEF)	6	8	1	15
Recovery Support Services	45	62	10	117
Residential Rehabilitation Services	31	44	7	82
Clinical Services	108	150	23	281
Employability Services	83	114	18	215
	1,081	1,499	231	2,811

	Executive & Central Admin £'000	Resources £'000	Governance £'000	2019 Total £'000
<i>Substance Misuse</i>	937	996	159	2,092
<i>Family Services</i>	11	11	2	24
<i>Young People Services (FEF)</i>	3	3	1	7
<i>Recovery Support Services</i>	25	27	4	56
<i>Residential Rehabilitation Services</i>	7	8	1	16
<i>Clinical Services</i>	112	119	19	250
<i>Employability Services</i>	79	84	13	176
	<u>1,174</u>	<u>1,248</u>	<u>199</u>	<u>2,621</u>

6. Governance Costs

	2020 £'000	2019 £'000
Staff Costs	200	172
Legal and Professional Fees	3	8
Audit Fees and Other Fees Payable to Auditor	28	39
	<u>231</u>	<u>219</u>

7. Net Income for the Year

These are stated after charging:

	2020 £'000	2019 £'000
Depreciation	2	2
Auditors Remuneration (excludes VAT)	28	39
Operating Lease Charges		39
Property	435	422
Other	51	52
	<u></u>	<u></u>

8. Staff Numbers and Costs

The average number of employees during the year, excluding trustees/directors was:

	2020 £'000	2019 £'000
Charitable	362	375
Administration	49	55
	<u>411</u>	<u>430</u>

Staff Costs Were as Follows:

	2020 £'000	2019 £'000
Salaries and Wages	11,941	12,503
Social Security Costs	1,171	1,238
Pension Contributions	666	590
Apprenticeship Levy	47	44
Operating Costs of the Defined Benefit Pension Scheme	64	54
Redundancy and Termination Costs	66	156
Other Forms of Employee Benefit (Life, Critical Illness Insurance and Health Plan)	134	140
	<u>14,089</u>	<u>14,725</u>

The redundancy and termination costs are accounted for in full during the year.

There are no liabilities at the balance sheet date that relate to ex gratia payments or payments in lieu of notice.

The number of employees whose annualised earnings were over £60,000 per annum:

	2020	2019
£60,000 - £69,999	5	5
£70,000 - £79,999	4	3
£80,000 - £89,999	1	2
£90,000 - £99,999	2	2
£100,000 - £109,999	1	3

In respect of the higher paid employees above, contributions for the provision of pension benefits totalled £92k (2019: £98k).

The total remuneration of the key management personnel of the Charity including benefits were £1,125k (2019: £1,456k).

The Key Management personnel of the organisation are the Chief Executive Officer, Chief Operating Officer, Divisional Director of Substance Misuse Services, Divisional Director of Employment Services and Divisional Director of Business Development.

During the year, no Trustee received any remuneration (2019: £Nil), any benefits in kind (2019: £Nil), or any reimbursement of expenses or amounts that were paid directly to third parties (2019: £Nil).

9. Tangible Assets

	Total (Fixtures, Fittings, Motor Vehicles and Equipment) £'000
Cost	
At 1 st April 2019	126
Additions in Year	-
Disposals	-
As at 31 st March 2020	<u>126</u>
Depreciation	
At 1 st April 2019	121
Additions in Year	2
Disposals	-
As at 31 st March 2020	<u>123</u>
Net Book Value	
At 1 st April 2019	<u>5</u>
As at 31 st March 2020	<u>3</u>

10. Debtors: Due Within One Year

	2020 £'000	2019 £'000
Trade Debtors	3,670	2,326
Other Debtors	95	55
Prepayment and Accrued Income	214	190
	<u>3,979</u>	<u>2,571</u>

11. Creditors: Amounts Falling Due Within One Year

	2020 £'000	2019 £'000
Trade Creditors	682	413
Other Taxes and Social Security	348	309
Accruals	566	655
Other Creditors	156	89
Deferred Income	702	893
	<u>2,454</u>	<u>2,359</u>

12. Deferred Income Within One Year

	2020 £'000	2019 £'000
At 31 st March 2020	892	1,373
Released to Incoming Resources	(493)	(735)
Income Deferred to a Future Year	303	254
	<u>702</u>	<u>892</u>

Deferred income are funds received for charitable activities in future years.

13. Financial Instruments

	2020 £'000	2019 £'000
Cash	1,725	2,235
Financial Measures that are Debt Instruments Measured at Amortised Cost		
Trade Debtors	3,670	2,326
Other Debtors	95	55
	<u>3,765</u>	<u>2,381</u>
Financial Liabilities Measured at Amortised Cost		
Trade Creditors	682	413
Other Creditors	156	89
	<u>838</u>	<u>502</u>

14. Statement of Funds

	1st April 2019 £'000	Income £'000	Expenditure £'000	Transfers Gains/Losses £'000	31st March 2020 £'000
Designated Funds					
Redundancy & Pension Fund	350	-	-	-	350
Works – The Bridges	30	-	-	-	30
Works – Head Office	89	-	-	-	89
	<u>469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>469</u>
General Funds	1,675	20,381	(19,418)	64	2,702
Total Unrestricted Funds	<u>2,144</u>	<u>20,381</u>	<u>(19,418)</u>	<u>64</u>	<u>3,171</u>

	1st April 2018 £'000	Income £'000	Expenditure £'000	Transfers Gains/Losses £'000	31st March 2019 £'000
Designated Funds					
Redundancy & Pension Fund	350	-	(156)	156	350
Works – The Bridges	27	-	-	3	30
Works – Head Office	54	-	-	35	89
	<u>431</u>	<u>-</u>	<u>(156)</u>	<u>194</u>	<u>469</u>
General Funds	2,163	20,380	(21,035)	(140)	1,675
Total Restricted Funds	<u>2,594</u>	<u>21,445</u>	<u>(21,191)</u>	<u>54</u>	<u>2,144</u>

The Designated Fund represents funds set aside to cover the potential redundancy and pension liabilities towards its staff, refurbishment costs of the Bridges Project in Hull, Head Office in London and funding earmarked for Employment Services employment/training work.

Summary of Restricted Funds

FY 2019/20	1 April 2019 £'000	Income £'000	Expenditure £'000	31 March 2020 £'000
Restricted Funds				
City Bridge Trust	23	-	(23)	-
Hans & Julia Rausing	285	453	(699)	39
Rothschild Foundation	-	82	(82)	-
Liz & Terry Bramhall Foundation	-	50	(50)	-
Police & Crime Commissioner for Kent	-	45	(45)	-
John Armitage	-	40	(40)	-
City of London	-	32	(32)	-
Other Restricted Funding	-	25	(17)	8
Rayne Foundation	-	25	(25)	-
Sainsbury Trust	-	25	(8)	17
Kent Police	-	17	(17)	-
Millhills Charitable Trust	-	16	(16)	-
Holbeck Charitable Trust	-	15	(15)	-
Deloitte LLP	-	26	(26)	-
S Shepherd & S Dickson	-	12	(12)	-
Taylor Family Foundation	-	10	(3)	7
Sir James Reckitt Charitable Trust	-	6	(6)	-
J Leon	-	5	(2)	3
Monday Charitable Trust	-	5	(2)	3
Banham Foundation	-	4	(4)	-
Green Hall Foundation	-	4	(4)	-
Reso Charitable Foundation	-	4	(1)	3
Joseph & Annie Cattle Trust	-	3	(3)	-
Cyril & Eve Jumbo Charitable Trust	-	3	(1)	2
Barclays Grant	-	2	(2)	-
Tempest of Brough Charitable Trust	-	2	(2)	-
Goldsmiths	-	1	(1)	-
Paul Stephenson Memorial trust	-	1	(1)	-
W.L. Pratt Charitable Trust	-	1	(1)	-
	<u>308</u>	<u>914</u>	<u>(1,140)</u>	<u>82</u>

<i>FY 2018/19</i>	<i>1 April 2018 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>31 March 2019 £'000</i>
<i>Restricted Funds</i>				
<i>S Shepherd & S Dickson</i>	-	18	(18)	-
<i>Liz & Terry Bramall Foundation</i>	-	50	(50)	-
<i>The City Bridge Trust</i>	-	41	(18)	23
<i>Hans & Julia Rausing</i>	97	653	(465)	285
<i>Eva Rausing Memorial Trust</i>	21	-	(21)	-
<i>The Hull & East Riding Charitable Trust</i>	-	10	(10)	-
<i>The Sir James Reckitt Charitable Trust</i>	-	6	(6)	-
<i>The Holbeck Charitable Trust</i>	-	15	(15)	-
<i>Aurum Trust</i>	-	133	(133)	-
<i>Berkshire Community Foundation</i>	-	8	(8)	-
<i>Cecil Rhodes Trust</i>	-	3	(3)	-
<i>CHK Charities Limited</i>	-	20	(20)	-
<i>Drapers</i>	-	35	(35)	-
<i>Esmee Fairburn</i>	-	46	(46)	-
<i>Habadashers Company</i>	-	10	(10)	-
<i>Hillingdon Community Grant Trust</i>	-	5	(5)	-
<i>J. Leon</i>	-	8	(8)	-
<i>John Armitage</i>	-	53	(53)	-
<i>John Ellerman</i>	-	13	(13)	-
<i>Joseph & Annie Cattle Trust</i>	-	4	(4)	-
<i>Julie Good The Tribune Trust</i>	-	3	(3)	-
<i>Mercers</i>	-	6	(6)	-
<i>Monument Trust</i>	-	30	(30)	-
<i>Paul Stephenson Memorial Trust</i>	-	1	(1)	-
<i>Payne-Gallwey Charitable Trust</i>	-	10	(10)	-
<i>Porticus</i>	-	40	(40)	-
<i>RB Greenwich Social Enterprise</i>	-	60	(60)	-
<i>Shepherd Building Group Ltd 1</i>	-	1	(1)	-
<i>Schroder Foundation</i>	-	50	(50)	-
<i>The Big Give</i>	-	4	(4)	-
<i>The Leigh Trust</i>	-	5	(5)	-
<i>W.L. Pratt Charitable Trust</i>	-	1	(1)	-
<i>Warner Priory Charitable Trust</i>	-	1	(1)	-
<i>Yorkshire Building Society</i>	-	1	(1)	-
<i>Other restricted funding</i>	-	1	(1)	-
	<u>118</u>	<u>1,345</u>	<u>1,155</u>	<u>308</u>

The purpose of restricted funds are:

S Shepherd & S Dickson	Funding towards the core costs of the Bridges
Liz & Terry Bramall Foundation	Funding towards the core costs of the Bridges
The City Bridge Trust	Funding towards the core costs of Rec Supp Services
Hans & Julia Rausing	Funding towards the core costs of Rec Supp Services and the Apprenticeship Scheme
Eva Rausing Memorial Trust	Funding towards the Apprenticeship Scheme and Social Enterprise
The Hull & East Riding Charitable Trust	Funding towards the core costs of the Bridges
The Sir James Reckitt Charitable Trust	Funding towards the core costs of the Bridges
The Holbeck Charitable Trust	Funding towards the core costs of the Bridges
Aurum Trust	Funding towards the core costs of Employment Services
Berkshire Community Foundation	Funding towards the core costs of Employment Services
Cecil Rhodes Trust	Funding towards the core costs of the Bridges
CHK Charities Limited	Funding towards the core costs of Employment Services
Drapers	Funding towards the core costs of Employment Services
Esmee Fairburn	Funding towards the core costs of Employment Services
Habadashers Company	Funding towards the core costs of Employment Services
Hillingdon Community Grant Trust	Funding towards the core costs of Employment Services
J. Leon	Funding towards the core costs of Employment Services
John Armitage	Funding towards the core costs of Employment Services
John Ellerman	Funding towards the core costs of Employment Services
Joseph & Annie Cattle Trust	Funding towards the core costs of the Bridges
Julie Good The Tribune Trust	Funding towards the core costs of the Bridges
Mercers	Funding towards the core costs of Employment Services
Monument Trust	Funding towards the core costs of Employment Services
Paul Stephenson Memorial trust	Funding towards the core costs of Employment Services
Payne-Gallwey Charitable Trust	Funding towards the core costs of Employment Services
Porticus	Funding towards the core costs of Employment Services
RB Greenwich Social Enterprise	Funding towards the core costs of Employment Services
Shepherd Building Group Ltd 1	Funding towards the core costs of the Bridges
Shroder Foundation	Funding towards the core costs of Employment Services
The Big Give	Funding towards the core costs of the Bridges
The Leigh Trust	Funding towards the core costs of the Bridges
W.L. Pratt Charitable Trust	Funding towards the core costs of the Bridges
Warner Priory Charitable Trust	Funding towards the core costs of the Bridges
Yorkshire Building Society	Funding towards the core costs of the Bridges

15. Summary of Funds

	1st April 2019 £'000	Income £'000	Expenditure £'000	Transfers Gains/Losses £'000	31st March 2020 £'000
Designated Funds	469	-	-	-	469
General Funds	1,675	20,381	(19,418)	64	2,701
Total Restricted Funds	308	914	(1,140)	-	82
	<u>2,452</u>	<u>21,295</u>	<u>(20,558)</u>	<u>64</u>	<u>3,253</u>

16. Analysis of Net Assets Between Funds

At 31st March 2020	Restricted Funds £'000	Unrestricted Funds £'000	Total Funds £'000
Fixed Assets	-	2	2
Current Assets	83	5,622	5,705
Current Liabilities	-	(2,454)	(2,454)
	<u>83</u>	<u>3,170</u>	<u>3,253</u>
	<i>Restricted</i>	<i>Unrestricted</i>	<i>Total</i>
At 31st March 2019	Funds £'000	Funds £'000	Funds £'000
Fixed Assets	-	5	5
Current Assets	118	5,683	5,801
Current Liabilities	-	(3,092)	(3,092)
	<u>118</u>	<u>2,596</u>	<u>2,714</u>

17. Operating Lease Commitments

At 31st March 2020, the Charity's future minimum operating lease payments are as follows:

BUILDINGS	2020 £'000	2019 £'000
Leases That Expire:		
Within One Year	293	412
Two to Five Years	216	1,032
Over Five Years	-	297
	<u>509</u>	<u>1,741</u>

During the year, the Charity incurred rental costs in respect of assets under operating leases of £435k (2019: £421k).

18. Related Party Transactions

There were no related party transactions in the year.

Donations from Trustees in aggregate were £4.6k (2019: £2.5k).

19. Pensions

The Charity contributes to both defined contribution and defined benefit pension schemes for its employees. All defined benefit schemes are closed to new entrants and the numbers of active members can only grow as a result of the transfer of staff from other organisations (TUPed).

The Charity contributes to a number of schemes: Group Personal Pension Plan managed by Aviva, NHS Pension Scheme managed by NHS Pensions, Shropshire County Pension fund managed by Shropshire Council, Civil Service Pension managed by The Cabinet Office and The Prudential Platinum Pension Scheme. The Group Personal Pension Plan managed by Aviva is a defined contribution plan.

The NHS Pension Fund is a closed defined benefit scheme specific to employees TUPed who were members of a NHS Pension Scheme at the time of transfer. Shropshire County Pension is a closed defined benefit scheme applicable to employees TUPed who were members of Shropshire Pension Scheme at the time of transfer. Civil Service Pension Scheme is a closed defined benefit scheme applicable to employees who were members of the Civil Service Pension Scheme at the time of transfer.

The Charity participates in 'Prudential Platinum Pension – The Forward Trust', a funded defined benefit statutory pension scheme in the UK which is contracted out of State Second Pension. This scheme was set up to ensure that we provide a comparable scheme for staff who are TUPed with final salary pension rights. The assets of all pension schemes are held separately from those of the Charity.

Pension costs charged in the Statement of Financial Activities represent all the contributions payable by the Charity for the year together with any material provision to record the Charity's liability in relation to a defined benefit pension scheme, where this can be identified, in accordance with the accounting standard incorporated in FRS102.

20. Pensions: Prudential Platinum Pension – The Forward Trust

Prudential Platinum Pension is a centralised scheme which is available to employers throughout the United Kingdom. Each participating employer (or group company arrangement) has its own ring-fenced section and accordingly there is no cross subsidy between employers, other than in a group company arrangement.

The Scheme provides retirement and death in service benefits for Members and their Dependants. It is a defined benefit scheme which means that the benefits under it are calculated on a pre-determined basis specified in the Scheme's rules.

The Scheme, which is legally and financially separate from the employers, is constituted by a Trust Deed and is administered in accordance with the rules by the Trustees. The Forward Trust is legally bound by a Deed of Adherence to the Scheme and became a participating employer with effect from 18 May 2012.

This note 19 to the Financial Statements reflects the position appropriate to The Forward Trust for the purposes of the UK pensions accounting standard FRS 102. It does not reflect the position of any other participating

employer in the Prudential Platinum Pension Scheme. The costs and balance sheet items in respect of the Charity's other pension arrangements are included elsewhere in the Charity's disclosures.

The Prudential Platinum Pension scheme is set up on a tax relieved basis as a separate trust independent of the Charity and supervised by an independent Trustee. The Trustee is responsible for ensuring that the correct benefits are paid, that the Scheme is appropriately funded and that Scheme assets are appropriately invested.

This scheme provides pensions and lump sums to members on retirement and to their dependants on death. Members who leave service before retirement are entitled to a deferred pension.

Active members of the Scheme pay contributions at a rate based on their pensionable pay and the Charity pays the balance of the cost as determined by regular actuarial valuations. The independent trustee is required to use prudent assumptions to value the liabilities and costs of the scheme whereas the accounting assumptions must be best estimates.

The liabilities for this year's accounting disclosures have been calculated by rolling forward the 31 December 2015 liabilities from that valuation date to 31 March 2020 allowing for member movements and cash-flows and using the assumptions set out below. The figures in the following disclosure were measured using the Projected Unit Method.

The amounts recognised in the statement of financial position are as follows:

	2020 £'000	2019 £'000
Defined Benefit Obligation	(354)	(436)
Fair Value of Plain Assets	674	629
	<u>320</u>	<u>193</u>
Net amount recognised year end (before any adjustment for deferred tax)	<u>320</u>	<u>193</u>
Adjustment of Non-Recognition of Surplus	<u>(320)</u>	<u>(193)</u>

The amounts recognised as comprehensive income are:

	2020 £'000	2019 £'000
SERVICE COST		
Current Service Cost (Net of Employee's Contributions)	13	18
Administration Expenses	43	41
Loss (Gain) on Plan Introductions, Changes, Curtailments and Settlements	12	-
Net Interest Expense (Credit)	(4)	(5)
Change (Credit) Recognised in Profit and Loss	<u>64</u>	<u>54</u>

	2020 £'000	2019 £'000
Change (Credit) Recognised in Profit and Loss	64	54
Re-measurements of the Net Liability		
Return on Scheme assets (Excluding amounts Included in Net Interest Expense)	(15)	(14)
Actuarial Gains (Losses)	(107)	9
Credit Recorded on Other Comprehensive Income	(122)	(5)
Total Defined Benefit Cost	(58)	49

The Principal Actuarial Assumptions Used Were:

	2020 %	2019 %
Liability Discount Rate	2.2	2.4
Inflation Assumption – RPI	2.3	3.1
Inflation Assumption - CPI	1.5	2.3
Rate of Increase in Salaries	2.0	2.8
Revaluation of Deferred Pensions - CPI	1.5	2.3
Increases for Pensions Payment - CPI	1.5	2.3
Expected age of Death of Current Pensioner at Age 65:		
Male Aged 65 at Year End	87.0	87.2
Female Aged 65 at Year End	89.4	89.1
Expected age of Death of Future Pensioner at Age 65:		
Male Aged 65 at Year End	88.7	88.9
Female Aged 65 at Year End	91.1	91.0

Reconciliation of Scheme Assets and Liabilities

	Assets £'000	Liabilities £'000	Total £'000
At Start of Period	629	(436)	193
Benefits Paid	(12)	12	-
Administration Expenses	(43)	-	(43)43
Current Service Cost	-	(13)	(13)
Contributions from the Employer	57	-	57
Contributions from the Employees	1	(1)	-
Interest Income (Expenses)	15	(11)	4
Return on Assets (Excluding Amount Included)	15	-	15
Net interest Expense	-	107	107
Actuarial Gains (Losses)	12	(12)	-
At End of Period	674	(354)	320

The Return on Plan Assets Was:

	2020 £'000	2019 £'000
Interest Income	15	15
Return on Plan Assets (excluding amounts included in net interest expense)	15	14
Total Return on Plan Assets	30	29

The Scheme has no investments in the Charity on property occupied by the Charity.

The Major Categories of Scheme Assets are as Follows:

	2020 £'000	2019 £'000
Corporates	337	310
Index Linked	337	319
Total Market Value of Assets	674	629

21. Capital Commitments

There are no known capital commitments at the year end.

22. Contingent Liabilities

There are no known contingent liabilities at the year end.

23. Post Balance Sheet Events

Coronavirus

On the 11th March 2020, the Novel Coronavirus (Covid-19) was declared a global pandemic and the UK subsequently went into lockdown. At time of writing there are still significant restrictions applying to the provisions of our services.

The Trustees have considered the implication of these measures both in the short and medium terms and are of the opinion that there is no reason to anticipate a significant income risk through the continuation of Covid19 restrictions other than that to our fundraised income, which represents a small but important percentage of our total.

In financial terms, we have benefited from the fact that the vast majority of our contract income (which makes up almost 94% of our income) has been protected. This is because our main contract clients are HM Government Agencies such as the NHS and HMPPS, or Local Authorities.

REFERENCE AND ADMINISTRATIVE DETAILS

The Forward Trust is a charitable company limited by guarantee.

Charity Number: 1001701
Company Number: 02560474

Trustees/Directors

Chair Hon David Bernstein
Treasurer Anthony Hazell
Lady Louise Gibbings
Hon Isabelle Laurent
Ben Houghton
Dame Benita Refson OBE
Rev John Wates OBE
John Mason
Andrew Wylie
David Riddle
Dame Clare Gerada MB BS

COMPANY SECRETARY John Biggin OBE

PATRONS Tony Adams MBE
The Revd. Jonathan Aitken
Mick May OBE
Chris Difford
Jonathan Pryce CBE
Roger Graef OBE
The Hon. Emma Soames
Sir Anthony Hopkins CBE
Erwin James
Peter Wilson MBE, DL

FOUNDERS

Jonathan Wallace

Peter Bond

Michael Meakin

**BUSINESS ADDRESS/
REGISTERED OFFICE**

Unit 106 - 7, Edinburgh House

170 Kennington Lane

London SE11 5DP

**KEY MANAGEMENT
PERSONNEL**

Michael Trace

Chief Executive Officer

John Biggin OBE

Chief Operating Officer

Jason Moore

Divisional Director of Substance Misuse Services

Asi Panditharatna

Divisional Director of Employment Services

Carwyn Gravell

Divisional Director of Business Development.

BANKERS

HSBC

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Victoria

London SW1V 1EJ

AUDITOR

HAYESMACINTYRE LLP

Chartered Accountants & Registered Auditors

10 Queens Street Place

London EC4R 1AG

SOLICITORS

BATES WELLS & BRAITHWAITE

10 Queens Street

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