

662712

THE RICHMOND FELLOWSHIP

REPORT AND ACCOUNTS

for the year ended

31 MARCH 2005



CONTENTS

	Page
Council of Management and Advisors	3
Report of the Council of Management	4-7
Statement of the Responsibilities of the Council of Management in Respect of the Accounts	8
Statement of the Council of Management on Internal Control Assurance and Internal Financial Controls	8-11
Independent Auditors' Report	12
Income and Expenditure Accounts	13
Balance Sheets	14
Consolidated Cash Flow Statement	15-16
Notes to the Consolidated Accounts	17-31

THE RICHMOND FELLOWSHIP

REPORT AND ACCOUNTS for the year ended 31 March 2005

Council of Management and Advisers

COUNCIL OF MANAGEMENT

Michael Bennett
Simon Devitt
Nigel Goldie
Grahame Hindes
Henry Hodge
John Sheldrick
Debbie Sorkin
Jean Waddell
Mani Winterstein
Edmund Yeo

SOLICITORS

Bates, Wells & Braithwaite
Cheapside House
138 Cheapside
London EC2V 6BB

REGISTERED OFFICE

80 Holloway Road
Highbury
London N7 8JG

BANKERS

The Co-operative Bank
Cornhill
London EC3V 3NJ

AUDITORS

Nexia Audit Limited
Chartered Accountants
25 Moorgate
London EC2R 6AY

SECRETARY

Mary Groom

COMPANY REGISTRATION

662712

THE RICHMOND FELLOWSHIP

REPORT OF THE COUNCIL OF MANAGEMENT for the year ended 31 March 2005

MISSION, AIMS and VALUES

The Richmond Fellowship (RF)'s mission is to empower and support people with mental health needs to live full and independent lives.

Our core business activity is to provide a range of services, which meet the needs of current and future Service Users, and involves principally:

- A variety of specialist rehabilitation services
- Supported housing including floating support.
- Registered care homes and those with nursing services
- Day, Outreach and Community Services
- Training, in-house work experience, and support to gain and maintain employment
- Training and services to improve care models and practices.

ORGANISATION & STRUCTURE

RF is a specialist Registered Social Landlord and a Registered Charity with over 40 years experience of providing care in the community. We provide housing and care services to over 1,500 people with a wide range of needs. Through our wholly owned subsidiary, Richmond Fellowship Employment and Training (RFET), last year we provided a range of employment focused services to approximately 2,500 people.

The Council of Management is the main governing body for the group and is supported in its work through 3 sub-committees and the RFET Board. During the year, the governance function has been further strengthened by the recruitment of new members who bring a range of skills and experience vital to our work.

The Council of Management set the strategic objectives for the year at its away day and the Senior Management Group focused organisational activity in order to achieve key operational targets.

REVIEW OF ACTIVITY

Operations

The focus for services this year has been on developing robust business plans that enable service managers to focus attention beyond the financial year ahead. While the Supporting People review process continues, and is now some 50% complete, attention is also upon securing social care funding. Loss making services were given timescales to address viability and where this coincided with services that were not core activity we closed or transferred services. Managers are now equipped to undertake steps to improve their business to demonstrate value for money and improved quality to commissioners and funders.

Business Development

During 2004-5 RF, with partner RSL's we were pleased to open new 24-hour supported services in Liverpool, Middlesbrough, and Hartlepool, and the long-awaited replacement building in Willington, County Durham. We won a competitive tender in Poole, and successfully implemented the transfer to RF of an existing day service there. Throughout the year we have progressed key developments in Wakefield, and in Haringey, where we have acquired a property. Both are due to open in early summer 2005, and we have acquired replacement buildings for our service in Portsmouth. We have also invested significant time and effort into business planning and consolidation, to help secure the future of existing services, and work on innovative new service models, notably for community based services and for women who require high levels of care and support.

REPORT OF THE COUNCIL OF MANAGEMENT for the year ended 31 March 2005

Financial Review of Group Results

The headline numbers show an operating surplus of £1.35 million after exceptional items, compared with £2.68 million in the previous year. The budget approved for the year anticipated a significant surplus and this has been very comfortably exceeded. Over £700k was generated by the sale of a surplus property in Westminster.

A provision of £264k has been made to cover the costs of closing and reorganising services.

The Income and Expenditure Account has been increased from £6.16 million to £7.97 million and Other Reserves from £2.80 million to £3.46million, a total of £11.43 million carried over for future use.

Future Plans

The Group budget for 2005/6 shows that we expect a moderate surplus for the forthcoming year. We closed 2 services in 2004/5, and transferred another. Plans are underway which will see a similar number closed or transferred during the coming year. Assumptions about growth have been conservative, made against a backdrop of SP reviews by our funders, and overall income is budgeted to fall by 0.6% compared to 2004/5 outturn. We hope to do better than this budgeted prediction.

The challenge of funders' reviews is being addressed through our internal programme of business planning and value for money reviews. It is hoped that this programme will strengthen RF's case when commissioners come to review each service, and that funding will therefore be maintained and in a number of cases extended.

The Group budget for the current year shows a small operating surplus generated by;

- Pricing services to generate sufficient income to cover current and future risks
- Continued improvements in the utilisation of operational management and central support services

With a strong financial base and available cash and borrowing capacity the Group is well placed to expand services to meet needs and provide appropriate accommodation.

The Group needs to be able to demonstrate cost efficiency and operational effectiveness with the introduction of local authority commissioning and monitoring under Supporting People.

Further work is currently being undertaken to update the Group's 5-year plan to 2009/10. Draft financial forecasts prepared during the year demonstrated the underlying financial strength of the Group.

The introduction of improved standards for buildings for the registered care homes under Care Standards will require some further remodelling and re-provision of homes to meet modern requirements. Some of this work will be funded from recycled grants generated by the sale of buildings, but some will need to come from reserves.

Human Resources

The RF Group employs almost 800 staff, including nurses, care workers management and administrative staff, accountants and employment advisors; a vital resource that we continue to invest in to develop and empower our staff to meet the organisation's goals. The framework of communication, appraisal and personal development afforded by our Investors In People status continues to play an important part in this process.

The challenges of changes in employment legislation, our operating environment and skill shortages for certain key staff are met with appropriate strategies and we continue to develop our employment framework to ensure flexible and appropriate responses to maximise the crucial contribution of our staff team.

Promoting diversity in our workforce, monitoring equality of opportunity and encouraging good practice continue as priorities, along with developing our people management ethos to ensure the values we promote for those using our services are experienced by our own workforce.

Training

We continue to deliver a comprehensive range of training to our staff, along with provision of training to many external agencies. Accredited qualifications including NVQ Level 3 Promoting Independence remain central to our quality assurance for the delivery of services. The Registered Managers Award is now an established part of our management development portfolio, with a significant number of our managers obtaining the award we are on target to meet qualification standards laid down by Care Standards.

The RF Diploma in Community Mental Health, accredited by Middlesex University, has seen a further tranche of students qualifying for the award during the year and we are delighted that the qualification has taken its place as part of an acknowledged qualification pathway for the development of staff within the sector.

Richmond Fellowship Employment and Training (RFET)

The operational restructuring started over 12 months ago is now virtually completed and this year has seen the consolidation and development of the Area Management structure designed to meet new financial, operational and strategic objectives resulting from a fast changing external agenda.

The geographical spread of the Charity remains the same namely North and South London, Cambridgeshire, Wiltshire, Buckinghamshire, Staffordshire and East Sussex. During the year RFET successfully tendered for a new service in Milton Keynes and won a number of significant funding bids for European and other mainstream funds.

Each of the geographical areas has seen some expansion of services. This however, is not reflected in overall turnover, which has not increased substantially over the financial reporting period. The main reasons behind the static turnover level result from, firstly the significant over-performance on the New Deal for Disabled People Programme in 2003/4, which could not be repeated in this financial year due to our contract being revised and "capped". Additionally we experienced a fall in net trading as the Organisation continues to restructure its work-based activities.

RFET continues to develop alongside and as an integral part of the changing external agenda. This process has seen the development of several new strands of service delivery, which include Job Retention and Quest for Work, the latter service engineered in partnership with two Mental Health Trusts, which enables people with mental illness to obtain employment within the participating trusts.

During the year RFET worked with 2,544 clients. Of these, 1,061 moved on with around 300 (28%) obtaining mainstream paid employment and a further 350 (33%) enrolling for further education and/or training at a variety of recognised levels. The Charity employed, on average, 103 staff throughout the year.

Financially RFET can report a surplus of £156k for the financial year 2004/5 although this shows a reduction on the £330k surplus reported in last year's financial statements. Turnover remains close to that reported in the last financial year standing at £3.9m.

THE RICHMOND FELLOWSHIP

REPORT OF THE COUNCIL OF MANAGEMENT for the year ended 31 March 2005

Status

The Richmond Fellowship is registered as a:

Charity	Registration No: 200453
Social landlord	Registration No: H2025
Limited company	Registration No: 662712

Directors:

John Sheldrick - Chair
Michael Bennett
Nigel Goldie
Grahame Hindes
Henry Hodge
Iris Medicott- resigned 30 September 2004
Mel Moss - resigned 12 August 2004
Debbie Sorkin
Mani Winterstein
Edmond Yeo - appointed 5 July 2004
Jean Waddell- appointed 2 February 2005
Simon Devitt- appointed 2 February 2005

Auditors

A Resolution to appoint Nexia Audit Limited as auditors will be proposed at the next Annual General Meeting.

Approved by the Council of Management on 27th July 2005 and signed on its behalf by



J Sheldrick
Chair

THE RICHMOND FELLOWSHIP

REPORT OF THE COUNCIL OF MANAGEMENT for the year ended 31 March 2005

STATEMENT OF THE RESPONSIBILITIES OF THE COUNCIL OF MANAGEMENT IN RESPECT OF THE ACCOUNTS

Company and registered social housing law requires the Council to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Fellowship and the group and of the surplus or deficit of the Fellowship and the group for that period. In preparing those accounts, the directors are required to:

- I. Select suitable accounting policies and then apply them consistently;
- II. Make judgements and estimates that are reasonable and prudent;
- III. Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Fellowship will continue in business.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985, the Housing Act 1996, and the Accounting Requirements for Registered Social Landlords General Determination 2000. They are also responsible for safeguarding the assets of the Fellowship and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF THE COUNCIL OF MANAGEMENT ON INTERNAL CONTROL ASSURANCE AND INTERNAL FINANCIAL CONTROLS

The Council is responsible for the Fellowship's system of financial controls and for reviewing its effectiveness. The Board of Trustees of RFET is responsible for that company's system of financial controls and is required to report on those controls with the company's annual accounts to demonstrate that responsibility, and to enable an overall statement to be made in the group accounts by the Council.

The Council recognises that such systems can provide only reasonable, not absolute, assurance against material misstatement or loss.

The Housing Corporation's circular R2-25/01: Internal Controls Assurance introduced a requirement for the boards of registered social landlords with more than 250 homes to review the effectiveness of their systems of internal controls. This extended the previous requirement in respect of financial controls to all controls, including financial and operational controls and risk management. Full compliance was first required for the financial year ending 31 March 2003.

The Fellowship complied with the requirements of that circular for the year to 31 March 2005.

The Council acknowledge its ultimate responsibility for ensuring that the Richmond Fellowship has in place a system of controls and risk management that is appropriate to the various business environments in which it operates. This applies to all members of the Richmond Fellowship Group.

**STATEMENT OF THE COUNCIL OF MANAGEMENT ON INTERNAL CONTROL ASSURANCE
AND INTERNAL FINANCIAL CONTROLS**

The following sets out the arrangements in place and being implemented to meet these responsibilities:-

1. Council Meetings

The Council meets, formally, six times a year and the Chief Executive and other members of the Senior Management Group attend Council meetings. They also have at least 1 away day annually. The Council has delegated responsibilities to three sub-committees:

Services and Human Resources Sub-committee (SHRSC), and
Financial Resources Sub-committee (FRSC) – which also acts as the Audit Committee
Remuneration Sub-Committee

The RFET Board of Trustees meet on a quarterly basis and presents a report to the Council.

2. Terms of Reference

The terms of reference for Sub-committees are established and reviewed annually by the Council. The RFET Board establishes its own terms of reference in conjunction with the Council.

3. The Council and Board are committed to

- 3.1 Maintaining competence and integrity both personally and in respect of the management and employees of the Group
- 3.2 Establishing and communicating the ethical values of the Group
- 3.3 Establishing an environment of control consciousness and responsibility for managers and employees through written codes of conduct, formal standards of discipline and performance appraisal
- 3.4 Ensuring appropriate organisational structures within which the business and its associated risks can be planned, executed, controlled and monitored to achieve the Group's objectives
- 3.5 Ensuring appropriate and written delegations of authority with individual accountability which has regard to acceptable levels of risk
- 3.6 Maintaining a professional approach to financial reporting which complies with generally acceptable accounting practice
- 3.7 Establishing and operating systems of Quality Assurance which ensure that appropriate systems and procedures are in place and reported.
- 3.8 Establishing and maintaining systems of reporting which ensure that compliance is monitored and action taken to improve or change systems and procedures

4. Identification and evaluation of risks and control objectives

The Senior Management Groups are responsible for preparing an annual report on risk along with a review of business opportunities as part of the annual planning process, covering both the immediate year and four years into the future. The Council and Board evaluate this analysis and agree the annual plans and the Business Plan, which ensure that risks are identified, evaluated for likelihood of crystallisation and the significance of their effect on the business.

Implementation of the Plans is delegated to the Senior Management Groups who have the authority to approve changes during the year and the responsibility to report on progress and changes in the business environment.

**THE RICHMOND FELLOWSHIP
STATEMENT OF THE COUNCIL OF MANAGEMENT ON INTERNAL CONTROL ASSURANCE AND INTERNAL
FINANCIAL CONTROLS**

These Plans establish priorities for the allocation of resources. The Senior Management Groups are responsible for setting and communicating clear control principles for other managers and employees.

5. Information and communication

Systems are in place to provide performance indicators and other information to allow management to monitor the key business, financial activities, risks, statutory responsibilities, the progress towards financial objectives and to identify matters which require intervention. This includes financial performance and operational performance. Work to rationalise the information we collect and use, and to create a series of Key Performance Indicators is in train, and scheduled to be completed in 2005/6.

The Group has established Information Technology systems, which are the subject of continuous development and evaluation under an agreed strategy with appropriate back up, recovery and contingency planning to ensure the continued flow of critical information and maintenance of records.

6. Control Procedures

Procedures are maintained for all operations and subject to a planned programme of review and updating, and updating in response to changes in statutory and other requirements.

The financial control procedures reflect the operations of individual services and workschemes and central administrative functions and cover:-

- 6.1 Procedures to ensure complete and accurate accounting for financial transactions
- 6.2 Appropriate authorisation limits for transactions which reasonably limit financial exposures
- 6.3 Procedures to ensure the reliability of data processing and information reports generated
- 6.4 Controls that limit exposure to loss of assets and minimise the opportunities for fraud
- 6.5 Routine and surprise checks which provide effective supervision of the control activities
- 6.6 Procedures to ensure compliance with laws and regulations that have significant financial implications

The Fellowship undertook a major review of financial procedures both as a general update and to meet the requirements of the Supporting People arrangements for funding supported housing which took effect from 1 April 2003. The new set of Financial Procedures for services was introduced during November 2003. The manual is maintained and updated as required. The last update was in July 2004.

7. Monitoring and Corrective Action

From November 2003 the Finance team has produced six weekly reports to the Senior Management Group on services' compliance with internal controls which identify weaknesses and non compliance in order to take corrective action to improve controls. These reports also cover the need to change procedures and systems to meet statutory and regulatory requirements.

The Finance and Resources Sub Committee also acts as the Audit Sub Committee to review the annual accounts, receive reports on internal controls matters from the internal and external auditors and agree an annual programme of work by the internal auditors based on the risk evaluation in the annual plans and the recommendations of the Chief Executive.

The Financial Resources Sub Committee is responsible for reviewing financial risks and procedures and the Joint Services and Human Resources Sub Committee reviews operational risks and procedures.

RFET does not have sub-committees and the Board is responsible for all functions.

THE RICHMOND FELLOWSHIP

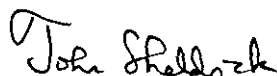
STATEMENT OF THE COUNCIL OF MANAGEMENT ON INTERNAL CONTROL ASSURANCE AND INTERNAL FINANCIAL CONTROLS

8. Effectiveness of the Internal Control Framework

The Council has reviewed the risk evaluations, reports from the Senior Management Group, reports of the internal and external auditors and reports on controls from the Board of RFET and is satisfied that appropriate systems and procedures are in place and in operation and subject to appropriate change and improvement.

Council has reviewed the systems of internal financial control and the risk map for the year ended 31 March 2005 and until the date these accounts were approved.

Approved by the Council of Management on 27th July 2005 and signed on its behalf by



J Sheldrick
Chair

THE RICHMOND FELLOWSHIP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RICHMOND FELLOWSHIP

We have audited the accounts of The Richmond Fellowship for the year ended 31 March 2005 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, and the related notes 1-27. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with the requirements of statute. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditors' 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 association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Council of Management and Auditors

As described on page 9, the company's Council of Management are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards and the relevant Statement of Recommended Practice.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000. We also report to you if, in our opinion, the Council of Management Report is not consistent with the accounts, if the company has not kept proper accounting records and if we have not received all the information and explanations we require for our audit.

We read the Council of Management Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the accounts, and of whether the accounting policies are appropriate to the Fellowship's and group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the Fellowship's and Group's affairs at 31 March 2005 and of their income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985, the Housing Act 1996, and the Accounting Requirements for Registered Social Landlords General Determination 2000.

Nexia Audit Limited

NEXIA AUDIT LIMITED
Chartered Accountants
Registered Auditors

25 August 2005
25 Moorgate
London
EC2R 6AY

INCOME AND EXPENDITURE ACCOUNTS for the year ended 31 March 2005

	Notes	2005		2004	
		Group £000's	Company £000's	Group £000's	Company £000's
Turnover	2	29,653	25,886	29,831	25,948
Less: Operating Costs	2	<u>(27,903)</u>	<u>(24,208)</u>	<u>(27,638)</u>	<u>(23,992)</u>
Operating surplus on normal operations		1,750	1,678	2,193	1,956
Exceptional items	5	<u>(400)</u>	<u>(400)</u>	<u>483</u>	<u>483</u>
Operating surplus		1,350	1,278	2,676	2,439
Surplus on the disposal of fixed assets		709	709	27	27
Interest receivable and investment income	9	434	418	196	165
Interest payable	10	<u>(18)</u>	<u>(18)</u>	<u>(150)</u>	<u>(150)</u>
Surplus for the year	11	<u>2,475</u>	<u>2,387</u>	<u>2,749</u>	<u>2,481</u>

Movements on the income and expenditure account:

Income and expenditure account balance brought forwards		6,156	5,548	3,824	3,418
Surplus for the year		2,475	2,387	2,749	2,481
Transfers to designated reserves	21	<u>(658)</u>	<u>(381)</u>	<u>(417)</u>	<u>(351)</u>
		<u>7,973</u>	<u>7,554</u>	<u>6,156</u>	<u>5,548</u>

All activities reported above, both in the current and preceding year, relate to continuing activities.

There were no recognised surpluses or deficits during the year apart from those included in the income and expenditure account above.

THE RICHMOND FELLOWSHIP

BALANCE SHEETS as at 31 March 2005

Fixed Assets	Notes	2005		2004	
		Group £000's	Company £000's	Group £000's	Company £000's
Housing Properties -					
Cost less depreciation	12	16,827	15,657	17,208	16,020
Less: Social Housing Grant	12	(9,304)	(9,304)	(9,842)	(9,842)
Other Grants	12	(5,037)	(4,717)	(5,032)	(4,717)
		2,486	1,636	2,334	1,461
Other fixed assets	13	2,248	2,062	2,293	2,158
Investments	14	-	728	-	813
		<u>4,734</u>	<u>4,426</u>	<u>4,627</u>	<u>4,432</u>
Current Assets					
Stock	15	20	-	32	-
Debtors due within one year	16	2,014	2,017	2,236	2,226
Debtors due after one year	17	304	304	348	348
Cash at bank and in hand		<u>10,701</u>	<u>9,595</u>	<u>6,392</u>	<u>5,257</u>
		13,039	11,916	9,008	7,831
Creditors: amounts falling due within one year	18	<u>(6,338)</u>	<u>(5,937)</u>	<u>(4,674)</u>	<u>(4,245)</u>
Net current assets		<u>6,701</u>	<u>5,979</u>	<u>4,334</u>	<u>3,586</u>
Total assets less current liabilities		<u>11,435</u>	<u>10,405</u>	<u>8,961</u>	<u>8,018</u>
Capital and Reserves					
Provisions	19	2	-	3	-
Income and expenditure account		7,973	7,554	6,156	5,548
Other reserves	21	<u>3,460</u>	<u>2,851</u>	<u>2,802</u>	<u>2,470</u>
		<u>11,435</u>	<u>10,405</u>	<u>8,961</u>	<u>8,018</u>

These accounts were approved by Council of Management on 27th July 2005 and signed on its behalf by:

J. Sheldrick

Chair of Council of Management

G. Hinds

Member of Council of Management

CONSOLIDATED CASH FLOW STATEMENT For the Year Ended 31 March 2005

	2005		2004	
	£000's	£000's	£000's	£000's
Cash Flow Statement				
Net cash inflow from operating activities		2,988		4,640
Returns on Investment and servicing of finance				
Interest received	433		183	
Interest paid	=		(97)	
Net cash inflow from returns on investments and servicing of finance		433		86
 Capital Expenditure				
Acquisition and development of housing properties	(257)		(984)	
Grants received towards acquisition and development of housing properties	5		87	
Sale of housing properties	1,275		27	
Sale of other fixed assets	4		2	
Purchase of other tangible fixed assets	(139)		(316)	
Net cash (outflow)/inflow from capital expenditure		888		(1,184)
 Financing				
Repayment of amounts borrowed	=		(2,133)	
Net cash (outflow) from financing		=		(2,133)
Increase in cash		<u>4,309</u>		<u>1,409</u>

NOTES TO CASH FLOW STATEMENT For the Year Ended 31 March 2005

Reconciliation of operating deficit to net cash outflow from operating activities:

	2005	2004
	£000's	£000's
Operating surplus	1,350	2,676
Depreciation Charges	251	215
Increase/(Decrease) in provisions	111	153
(Decrease)/Increase in provision	(1)	1
Decrease in debtors	266	1,197
Increase in creditors	999	403
Decrease/Increase in stocks	<u>12</u>	<u>(5)</u>
Net cash inflow from operating activities	<u>2,988</u>	<u>4,640</u>
Reconciliation of net cash flow to movement in cash:		
Cash balance at 1 April	6,392	4,983
Increase in cash in the period	<u>4,309</u>	<u>1,409</u>
Cash balance at 31 March	<u>10,701</u>	<u>6,392</u>

NOTES TO THE CONSOLIDATED ACCOUNTS for the year ended 31 March 2005

1. Principal accounting policies

The accounts have been prepared in accordance with applicable Accounting Standards and the Accounting Requirements for Registered Social Landlords General Determination 2000, and comply with the Statement of Recommended Practice "Accounting by Registered Social Landlords" (the "SORP") issued in 1999 (updated 2002).

The Fellowship is required to produce group accounts. The consolidated income and expenditure account, balance sheet and cash flow statement include the financial statements of the fellowship and its subsidiary undertakings up to 31 March 2005. Intra-group sales and profits are eliminated fully on consolidation.

A summary of the accounting policies is set out below.

a) Accounting convention

The accounts are prepared under the historical cost basis of accounting as modified by the revaluation of certain fixed assets.

b) Turnover

Turnover represents rental income receivable, fees and grants from local authorities, the Housing Corporation and other funding sources, fundraising activities and college fees together with the amounts receivable for goods sold by workschemes excluding VAT.

c) Donations

Donations are brought into the accounts in the year in which they are received. Donated assets are included at valuation.

d) Revenue grants

Revenue grants are credited to the income and expenditure account in the period to which they relate.

e) Housing properties

Housing properties are stated at cost less depreciation and grants receivable. Depreciation is calculated to write down the buildings cost of properties on a straight line basis over 50 years, or the remainder of the term of the lease or other agreement for use if shorter.

f) Development overheads

Development overheads are not capitalised but are taken to the revenue account in the period in which they are incurred.

g) Development Interest

The capitalisation of interest on loans funding developments is restricted to that incurred in the period up to practical completion.

h) Works to Existing Housing Properties

Works to existing housing properties are included in the revenue account unless they extend the useful economic life of a property or they increase the anticipated net revenue generation from the property.

NOTES TO THE CONSOLIDATED ACCOUNTS for the year ended 31 March 2005**i) Leased Assets**

Where assets are financed by leasing agreements that give rights approximating to ownership, they are treated as if they had been purchased outright. The amount capitalised is the value of the minimum lease payment payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Rentals paid under operating leases are charged to the income and expenditure account in equal annual amounts over the period of the lease.

j) Social Housing Grant

Social Housing Grant (SHG) paid by the Housing Corporation towards the cost of development is shown as a deduction from the cost of housing properties on the balance sheet. SHG is credited in the period in which it is receivable and is included as a creditor to the extent that it is not required to fund capital costs incurred at the end of the accounting period. If properties funded by SHG are disposed of, the grant is recycled in most circumstances.

k) Other Capital Grants

Local Authority, Health Authority and charitable trust Capital Grants paid by the authorities towards the cost of development are shown as a deduction from the cost of housing properties on the balance sheet. Other capital grants towards the cost of other fixed assets are offset against the cost of those assets and any depreciation charge arising is based on the net carrying value. If the properties are disposed of, or cease to be used for the approved purpose, the grants are normally repayable. In some cases the authority can take over the property or claim the net proceeds of a disposal.

l) Grants on Property Disposals

On disposal of housing properties for which social housing grant has been received, the grant is transferred to a recycled capital grant fund within creditors. The grant is to then be used or repaid to the Housing Corporation within three years of the disposal. It is assumed that all grants will be used within one year.

m) Other Fixed Assets and Depreciation

All other tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is charged on a straight-line basis over the expected economic lives of the assets at the following rates:

Office premises (buildings)	2% per annum
Motor vehicle	25% per annum
Computer & office equipment	33.3% per annum
Furniture & equipment	25% per annum

n) Impairment

Impairment reviews are carried out on fixed assets whenever changes in circumstances indicate that the carrying amount may not be receivable.

o) Stocks

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

p) Capital Grants Receivable

Capital grants receivable are included as capital grants in the period in which they become due. Balances not received by the period end are included as debtors.

q) Finance and Issue Costs of Financial Instruments

The costs of issuing finance instruments are deducted from the gross proceeds so that only the net proceeds are included on the balance sheet. The finance costs of financial instruments are allocated at a constant rate on the carrying amount.

r) Provisions

Provision is made where the Fellowship is required to make good dilapidations under the terms of lease agreements.

s) Pension costs

The Richmond Fellowship operates defined contribution pension schemes, the costs of which are reflected in the income and expenditure account on an accruals basis. The assets of the schemes are held separately from those of The Richmond Fellowship in independently administered funds.

t) Designated reserves

Designated reserves represent funds that have been earmarked to cover anticipated future expenditure for which other finance is not available. The amount designated represents the costs likely to be incurred.

u) Reinvestment

The Fellowship provides Hostel Accommodation for supported housing only, which is excluded under the rules for calculating the Reinvestment Fund.

v) Taxation

The Fellowship is a registered charity and is not subject to Corporation Tax on its charitable activities.

w) Value Added Tax

The Fellowship is not registered for VAT. The balances shown in these accounts in relation to the Fellowship are inclusive of VAT where applicable. RFET is registered for VAT and the balances shown in respect of RFET in the group accounts exclude VAT where applicable.

NOTES TO THE CONSOLIDATED ACCOUNTS for the year ended 31 March 2005

2. Particulars of Turnover, Operating Costs and Operating Surplus/(Deficit)

GROUP	Note	2005				2004			
		Turnover	Operating Costs	Operating Surplus/(Deficit)	Turnover	Operating Costs	Operating Surplus/(Deficit)	Turnover	Operating Surplus/(Deficit)
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Social Housing Lettings	3	17,942	16,472	1,470	18,270	16,453	1,817	18,270	1,817
Other Social Housing Activities		1,998	1,815	183	1,400	1,334	66	1,400	66
Non Social Housing Activities									
Lettings		3,874	3,898	(24)	4,289	4,243	46	4,289	46
Other		5,839	5,718	121	5,872	5,608	264	5,872	264
	4	9,713	9,616	97	10,161	9,851	310	10,161	310
Total		29,653	27,903	1,750	29,831	27,638	2,193	29,831	2,193

COMPANY

	Note	2005				2004			
		Turnover	Operating Costs	Operating Surplus/(Deficit)	Turnover	Operating Costs	Operating Surplus/(Deficit)	Turnover	Operating Surplus/(Deficit)
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Social Housing Lettings	3	17,942	16,472	1,470	18,270	16,453	1,817	18,270	1,817
Other Social Housing Activities		1,998	1,815	183	1,400	1,334	66	1,400	66
Non Social Housing Activities									
Lettings		3,874	3,898	(24)	4,289	4,243	46	4,289	46
Other		2,072	2,023	49	1,989	1,962	27	1,989	27
	4	5,946	5,921	25	6,278	6,205	73	6,278	73
Total		25,886	24,208	1,678	25,948	23,992	1,956	25,948	1,956

NOTES TO THE CONSOLIDATED ACCOUNTS for the year ended 31 March 2005

3. Particulars of Income and Expenditure from Social Housing Lettings

GROUP AND COMPANY	2005			2004		
	Supported Housing £000's	Residential Care Homes £000's	Total £000's	Supported Housing £000's	Residential Care Homes £000's	Total £000's
Rent receivable net of service charges	1,820	353	2,173	1,709	508	2,217
Service Income	1,415	2,096	3,511	1,275	3,017	4,292
Gross rental income	3,235	2,449	5,684	2,984	3,525	6,509
Voids	(250)	(452)	(702)	(208)	(774)	(982)
Net rental income	2,985	1,997	4,982	2,776	2,751	5,527
Housing Corporation grants for major repairs	182	79	261	-	-	-
Supporting People revenue grants	8,624	543	9,167	8,624	688	9,312
Other revenue grants	1,494	2,038	3,532	1,297	2,134	3,431
Turnover from social housing lettings	13,285	4,657	17,942	12,697	5,573	18,270
Housing management	283	66	349	264	66	330
Services	589	543	1,132	553	656	1,209
Care and support	9,514	3,707	13,221	8,741	4,487	13,228
Routine maintenance	161	84	245	135	94	229
Planned maintenance	140	84	224	148	114	262
Major repairs expenditure	240	115	355	24	70	94
Bad debts	(59)	30	(29)	118	9	127
Property lease charges	865	84	949	877	75	952
Depreciation of housing properties	15	11	26	15	7	22
Operating costs on social housing lettings	11,748	4,724	16,472	10,875	5,578	16,453
Surplus/(deficit) on social housing lettings	1,537	(67)	1,470	1,822	(5)	1,817

NOTES TO THE CONSOLIDATED ACCOUNTS for the year ended 31 March 2005

4. Particulars of Turnover from Non Social Housing Activities

	2005		2004	
	Group £000's	Company £000's	Group £000's	Company £000's
Registered Nursing Home Lettings	3,874	3,874	4,289	4,289
Day Centres	4,371	924	4,348	822
Outreach Services	784	784	710	710
Sales	207	-	230	-
Training and Consultancy	153	88	100	100
Fundraising	114	-	187	15
Other	210	276	297	342
	<u>9,713</u>	<u>5,946</u>	<u>10,161</u>	<u>6,278</u>

5. Exceptional Items

	2005		2004	
	Group £000's	Company £000's	Group £000's	Company £000's
Provision for closure costs of care home	(264)	(264)	(153)	(153)
Provision for closure costs of other services	(136)	(136)	-	-
Recoveries of previous write offs and provisions	-	-	636	636
	<u>(400)</u>	<u>(400)</u>	<u>483</u>	<u>483</u>

6. Directors' Emoluments

The Directors are defined as the Richmond Fellowship's Council of Management and Senior Management Group.

No member of the Council of Management received any emoluments during the year from The Richmond Fellowship.

The Emoluments of the Other Directors were as follows:

	2005 £000's	2004 £000's
Emoluments (including pension contributions and benefits in kind)	493	396
Emoluments (excluding pension contribution, including benefits in kind) paid to the highest paid director	<u>90</u>	<u>89</u>
Emoluments of other directors were in the ranges (£000's):	No.	No.
35-40	-	1
40-45	1	-
45-50	-	2
50-55	2	2
55-60	2	-
65-70	1	1
	-	-
Total expenses reimbursed to Directors not chargeable to UK tax	<u>-</u>	<u>£3,357</u>

NOTES TO THE CONSOLIDATED ACCOUNTS for the year ended 31 March 2005

7. Directors' Pensions

The aggregate amount of contributions made by the Richmond Fellowship for directors was £22,644 (2004: £21,494). The Chief Executive is a member of the Group's defined contribution pension scheme, contributions made by the Richmond Fellowship were £5,795 (2004: £5,774).

8. Employee Information

The average number of employees (including CEO) employed during the year

	2005		2004	
	Group No.	Company No.	Group No.	Company No.
Office Staff	66	58	82	76
Service Staff	<u>624</u>	<u>624</u>	<u>631</u>	<u>631</u>
	690	682	713	707
RFET Staff	<u>132</u>	-	<u>122</u>	-
	<u>822</u>	<u>682</u>	<u>835</u>	<u>707</u>

The average number of employees (including CEO) employed during the year and expressed as the equivalent number of full time staff was:

	2005		2004	
	Group No.	Company No.	Group No.	Company No.
Office Staff	62	53	76	70
Service Staff	<u>565</u>	<u>565</u>	<u>573</u>	<u>573</u>
	627	618	649	643
RFET Staff	<u>105</u>	-	<u>97</u>	-
	<u>732</u>	<u>618</u>	<u>746</u>	<u>643</u>

Staff costs for the employees amounted to:

	2005		2004	
	Group £000's	Company £000's	Group £000's	Company £000's
Wages and Salaries	15,763	13,467	15,901	13,637
Social Security Costs	1,480	1,267	1,476	1,262
Other Pension Costs	<u>387</u>	<u>334</u>	<u>374</u>	<u>313</u>
	<u>17,630</u>	<u>15,068</u>	<u>17,751</u>	<u>15,212</u>

THE RICHMOND FELLOWSHIP

NOTES TO THE CONSOLIDATED ACCOUNTS for the year ended 31 March 2005

9. Interest receivable and Investment Income

	2005		2004	
	Group £000's	Company £000's	Group £000's	Company £000's
Bank deposit interest	434	377	196	163
Interest on inter company loan	-	41	-	2
	<u>434</u>	<u>418</u>	<u>196</u>	<u>165</u>

10. Interest Payable and similar charges

	2005		2004	
	Group £000's	Company £000's	Group £000's	Company £000's
RCGF interest	18	18	11	11
Bank loan interest	-	-	49	49
Finance charges	-	-	41	41
Breakage costs	-	-	38	38
Redemption fees	-	-	11	11
Total loan interest payable	<u>18</u>	<u>18</u>	<u>150</u>	<u>150</u>

11. Surplus for the Year

	2005		2004	
	Group £000's	Company £000's	Group £000's	Company £000's
The Surplus of the Year is stated after charging:				
Depreciation				
on tangible owned fixed assets	251	152	224	156
Auditors remuneration				
in their capacity as auditors	42	35	32	25
Provision for doubtful debts	42	40	156	144
and after crediting	-	-		
National Lottery Community Fund Grant	=	=	<u>31</u>	=

NOTES TO THE CONSOLIDATED ACCOUNTS for the year ended 31 March 2005

12. Housing Property Fixed Assets GROUP

	Social Housing Properties		Nursing Homes	Day centres	2005
	Completed £000's	Under Construction £000's	Completed £000's	Completed £000's	Total £000's
Cost					
At 1 April 2004 (restated)	13,213	4	2,626	1,510	17,353
Additions during the year	239			17	256
Disposals during the Year	(568)	-	-	-	(568)
Completed in the Year	-	-	-	-	-
At 31 March 2005	<u>12,884</u>	<u>4</u>	<u>2,626</u>	<u>1,527</u>	<u>17,041</u>
Depreciation					
At 1 April 2004	86		55	4	145
Charge for the year	22		12	37	71
Eliminated on disposals	(2)	-	-	-	(2)
At 31 March 2005	<u>106</u>	<u>-</u>	<u>67</u>	<u>41</u>	<u>214</u>
Cost Less Depreciation	<u>12,778</u>	<u>4</u>	<u>2,559</u>	<u>1,486</u>	<u>16,827</u>
Social Housing Grant					
At 1 April 2004 (restated)	9,842	-	-	-	9,842
Received during the year					
Recyclable on disposals	(538)	-	-	-	(538)
	<u>9,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2005	<u>9,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,304</u>
Other Capital Grants					
At 1 April 2004 (restated)	1,948	-	2,497	587	5,032
Received during the year	-	-	-	5	5
Completed in the year	-	-	-	-	-
At 31 March 2005	<u>1,948</u>	<u>-</u>	<u>2,497</u>	<u>592</u>	<u>5,037</u>
Net Book value					
At 31 March 2005	<u>1,526</u>	<u>4</u>	<u>62</u>	<u>894</u>	<u>2,486</u>
At 31 March 2004	<u>1,337</u>	<u>4</u>	<u>74</u>	<u>919</u>	<u>2,334</u>

Housing Properties at Cost Comprise

	2005 £000's	2004 £000's
Freehold	15,996	16,311
Long Leaseholds	347	643
Short Leaseholds	<u>383</u>	<u>84</u>
	<u>16,726</u>	<u>17,038</u>

The aggregate amount of Social Housing Grant received during the year was as follows:

Capital	-	11
Revenue	<u>464</u>	<u>11</u>
	<u>464</u>	<u>11</u>

THE RICHMOND FELLOWSHIP

NOTES TO THE CONSOLIDATED ACCOUNTS for the year ended 31 March 2005

COMPANY

	Social Housing Properties		Nursing Homes	Day centres	2005
	Completed £000's	Under Construction £000's	Completed £000's	Completed £000's	Total £000's
Cost					
At 1 April 2004	13,213	4	2,626	319	16,162
Additions during the year	239				239
Disposals during the Year	(568)	-	-	-	(568)
Completed in the Year	-	-	-	-	-
At 31 March 2005	<u>12,884</u>	<u>4</u>	<u>2,626</u>	<u>319</u>	<u>15,833</u>
Depreciation					
At 1 April 2004	85		55	2	142
Charge for the year	<u>22</u>		<u>12</u>	<u>1</u>	<u>35</u>
Eliminated on disposals	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>
At 31 March 2005	<u>106</u>	<u>-</u>	<u>67</u>	<u>3</u>	<u>176</u>
Cost Less Depreciation	<u>12,778</u>	<u>4</u>	<u>2,559</u>	<u>316</u>	<u>15,657</u>
Social Housing Grant					
At 1 April 2004	9,842	-	-	-	9,842
Received during the year					
Recyclable on disposals	<u>(538)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(538)</u>
At 31 March 2005	<u>9,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,304</u>
Other Capital Grants					
At 1 April 2004	1,948		2,497	272	4,717
Received during the year	-	-	-	-	-
Completed in the year	-	-	-	-	-
At 31 March 2005	<u>1,948</u>	<u>-</u>	<u>2,497</u>	<u>272</u>	<u>4,717</u>
Net Book value					
At 31 March 2005	<u>1,526</u>	<u>4</u>	<u>62</u>	<u>45</u>	<u>1,636</u>
At 31 March 2004	<u>1,337</u>	<u>4</u>	<u>74</u>	<u>919</u>	<u>2,334</u>
Housing Properties at Cost Comprise				2005	2004
				£000's	£000's
Freehold				15,103	15,435
Long Leaseholds				347	643
Short Leaseholds				<u>383</u>	<u>84</u>
				<u>15,833</u>	<u>16,162</u>
The aggregate amount of Social Housing Grant received during the year was as follows:					
Capital				-	11
Revenue				<u>464</u>	<u>-</u>
				<u>464</u>	<u>11</u>

13. Other Fixed Assets

	Freehold Office Premises £000's	Motor Vehicles £000's	Fixtures, Fittings & Equipment £000's	2005 Total £000's
GROUP				
Cost				
At 1 April 2004 (as re-stated)	2,155	137	886	3,178
Additions during the year	-	17	122	139
Disposals during the year	-	(19)	(80)	(99)
At 31 March 2005	<u>2,155</u>	<u>135</u>	<u>928</u>	<u>3,218</u>
Depreciation				
At 1 April 2004 (as re-stated)	151	109	625	885
Charge for the year	35	19	126	180
Eliminated on disposals	-	(16)	(79)	(95)
At 31 March 2005	<u>186</u>	<u>112</u>	<u>672</u>	<u>970</u>
Net Book value				
At 31 March 2005	<u>1,969</u>	<u>23</u>	<u>256</u>	<u>2,248</u>
At 31 March 2004(as re-stated)	<u>2,004</u>	<u>28</u>	<u>261</u>	<u>2,293</u>
COMPANY				
Cost				
At 1 April 2004	2,155	56	467	2,678
Additions during the year	-	-	21	21
Disposals during the year	-	-	-	-
At 31 March 2005	<u>2,155</u>	<u>56</u>	<u>488</u>	<u>2,699</u>
Depreciation				
At 1 April 2004	151	43	326	520
Charge for the year	35	11	71	117
Eliminated on disposals	-	-	-	-
At 31 March 2005	<u>186</u>	<u>54</u>	<u>397</u>	<u>637</u>
Net Book value				
At 31 March 2005	<u>1,969</u>	<u>2</u>	<u>91</u>	<u>2,062</u>
At 31 March 2004	<u>2,004</u>	<u>14</u>	<u>141</u>	<u>2,158</u>

14. Fixed Asset Investments

Fixed asset investments at 31 March 2005 comprised investments in subsidiary companies at cost:-

	2005 Company £000's	2004 Company £000's
Shares in RFET	-	-
Loan to RFET to purchase Moxon Street	<u>728</u>	<u>813</u>
	<u>728</u>	<u>813</u>

Richmond Fellowship holds 2 £1 shares in RFET (2004: 2 in RFET). —

The loan to RFET is secured by a legal charge on the Moxon Street premises and represents the amounts repayable in more than one year. Repayments due within one year (including interest) of £64,932 (2004: £ nil) have been included as debtors in note 16 below.

	2005		2004	
15. Stocks	Group £000's	Company £000's	Group £000's	Company £000's
Raw materials	11	-	12	-
Work in progress	1	-	1	-
Finished goods	<u>8</u>	-	<u>19</u>	-
	<u>20</u>	-	<u>32</u>	-

16. Debtors Due within One Year

Residents charges	691	691	701	701
Care contract arrears	584	584	729	729
Less: provision for bad debts	<u>(306)</u>	<u>(306)</u>	<u>(383)</u>	<u>(383)</u>
	969	969	1,047	1,047
Trade debtors	42	-	34	-
Prepayments and accrued income	556	478	535	390
Capital grants receivable	43	43	69	68
Richmond Fellowship Employment and Training	-	317	-	315
Other debtors	<u>404</u>	<u>210</u>	<u>551</u>	<u>406</u>
	<u>2,014</u>	<u>2,017</u>	<u>2,236</u>	<u>2,226</u>

17. Debtors Due after more than one year

Capital grants receivable	<u>304</u>	<u>304</u>	<u>348</u>	<u>348</u>
---------------------------	------------	------------	------------	------------

18. Creditors: Amounts falling due within one year

Other Creditors	1,944	1,829	1,520	1,390
Accruals and Deferred Income	3,219	3,016	2,270	2,049
PAYE and social security costs	412	412	423	423
Capital grants received in advance	298	215	88	10
Recycled Capital Grants Fund	<u>465</u>	<u>465</u>	<u>373</u>	<u>373</u>
	<u>6,338</u>	<u>5,937</u>	<u>4,674</u>	<u>4,245</u>

NOTES TO THE CONSOLIDATED ACCOUNTS for the year ended 31 March 2005

The average number of days between receipt and payment of invoices was 31 days (2004: 31 Days).

19. Provisions

	2005		2004	
	Group £000's	Company £000's	Group £000's	Company £000's
Dilapidations	<u>2</u>	<u>-</u>	<u>3</u>	<u>-</u>

20. Share Capital

The Fellowship is a company limited by guarantee and has no equity or non-equity share capital. Members of the Fellowship guarantee to contribute a maximum of £1 should there be a call on their guarantee.

21. Other Reserves

	Major Repairs and Renewals £000's	Deferred Surplus £000's	Company Total £000's	RFET Reserves £000's	Group Total £000's
At April 1 2004	2,192	278	2,470	332	2,802
Transfers from income and expenditure account	<u>388</u>	<u>(7)</u>	<u>381</u>	<u>277</u>	<u>658</u>
At 31 March 2005	<u>2,580</u>	<u>271</u>	<u>2,851</u>	<u>609</u>	<u>3,460</u>

22. Operating Leases

The Richmond Fellowship holds housing accommodation, office premises and equipment on non-cancellable operating leases. The annual net commitments under these leases are as follows:

	2005		2004	
	Group £000's	Company £000's	Group £000's	Company £000's
Lease expiring:				
Within one year	119	-	97	33
Two to five years	338	232	278	134
More than five years	<u>353</u>	<u>353</u>	<u>408</u>	<u>408</u>
	<u>810</u>	<u>585</u>	<u>783</u>	<u>575</u>

NOTES TO THE CONSOLIDATED ACCOUNTS for the year ended 31 March 2005

The average number of days between receipt and payment of invoices was 31 days (2004: 31 Days).

19. Provisions

	2005		2004	
	Group £000's	Company £000's	Group £000's	Company £000's
Dilapidations	<u>2</u>	<u>-</u>	<u>3</u>	<u>-</u>

20. Share Capital

The Fellowship is a company limited by guarantee and has no equity or non-equity share capital. Members of the Fellowship guarantee to contribute a maximum of £1 should there be a call on their guarantee.

21. Other Reserves

	Major Repairs and Renewals £000's	Deferred Surplus £000's	Company Total £000's	RFET Reserves £000's	Group Total £000's
At April 1 2004	2,192	278	2,470	332	2,802
Transfers from income and expenditure account	<u>388</u>	<u>(7)</u>	<u>381</u>	<u>277</u>	<u>658</u>
At 31 March 2005	<u>2,580</u>	<u>271</u>	<u>2,851</u>	<u>609</u>	<u>3,460</u>

22. Operating Leases

The Richmond Fellowship holds housing accommodation, office premises and equipment on non-cancellable operating leases. The annual net commitments under these leases are as follows:

	2005		2004	
	Group £000's	Company £000's	Group £000's	Company £000's
Lease expiring:				
Within one year	119	-	97	33
Two to five years	338	232	278	134
More than five years	<u>353</u>	<u>353</u>	<u>408</u>	<u>408</u>
	<u>810</u>	<u>585</u>	<u>783</u>	<u>575</u>

THE RICHMOND FELLOWSHIP

NOTES TO THE CONSOLIDATED ACCOUNTS for the year ended 31 March 2005

23. Capital Commitments

	2005		2004	
	Group £000's	Company £000's	Group £000's	Company £000's
Capital Expenditure contracted for but not provided for at the year end	-	-	-	-
Expenditure authorised by CoM but not contracted for	<u>1,203</u>	<u>1,203</u>	<u>234</u>	<u>234</u>

24. Subsidiary Companies

- a. The Fellowship has one wholly owned subsidiary company, Richmond Fellowship Employment and Training Limited (RFET) (formerly Richmond Fellowship Workschemes Limited). Richmond Fellowship Shops Limited, a dormant company, was dissolved during the year. RFET is incorporated in England and Wales and is included in the group accounts. It is not registered with the Housing Corporation.
- b. Richmond Fellowship Employment and Training Limited provides daytime work and training opportunities for people with mental health problems and other disabilities. It is a registered charity limited by shares but is precluded from distributing surpluses to members.
- c. The Richmond Fellowship provides accommodation and administration services to Richmond Fellowship Employment and Training Limited. The fee receivable for the year in respect of these services was £65,000 (2004: £65,000). The balance outstanding at the year-end was £228,337 (2004: £315,295). In addition a long term loan was made to RFET to purchase an operational property, details are given in Note 14.

25. Accommodation in Management

The number of the different types of accommodation managed by the Richmond Fellowship at the end of the year was as follows:

	2005 No.	2004 No.
<u>Social Housing</u>		
Supported Housing	693	657
Residential Care Homes	<u>152</u>	<u>172</u>
Total social housing	<u>845</u>	829
<u>Non social housing</u>		
Nursing homes	<u>50</u>	<u>62</u>
Total units in management	<u>895</u>	<u>891</u>

26. Incorporation

Richmond Fellowship is registered with the Housing Corporation and prepares its accounts under the Accounting Requirements for Registered Social Landlords General Determination 2000 (updated 2002). It is incorporated under the Companies Act 1985 and is registered in England and Wales.

27. Contingent Liability

The Richmond Fellowship Council of Management have been made aware that under possible interpretations of employment legislation significant claims could be made against the company. No such cases have been brought and the Council are unable to estimate the financial implications, if any, at this stage. The RF Council of Management have sought legal advice and have changed procedures to address the issues.